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Part I: Co-operation and Association

AUSTRIA.

REGIONAL ORGANIZATION OF AGRICULTURAL CO-OPERATIVE SOCIETIES

by Dr. OTTO NEUDÖRFER, *General Inspector of the General Federation
of Agricultural Co-operative Societies, Vienna.*

II. — AGRICULTURAL CO-OPERATION IN UPPER AUSTRIA.

SOURCES:

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BIT DES O. Ö. LANDESAUSCHUSSES betr. die landw. Erwerbs-und Wirtschaftsgenossen-
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*Report of the Provincial Committee on Agricultural Co-operative Societies for Production
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pper Austrian Landtag, XIth. Legislature, 2nd. Session, 1912*).

BERICHTE der Zentralkasse u. d. Teebuttermilchgenossenschaft von Schärding. (*Annual Re-
ports of the Central Bank and of the Schärding Table Butter Co-operative Society*), Oesterr.
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104-1910).

In Upper, as in Lower, Austria, agricultural co-operation originated
the selfgoverning provincial administrations. The Landtag had end-
ed the Provincial Committee for Upper Austria with the mission of
ing the question of rural personal credit organized on co-operative
ples. It began its work in 1884. At first, rules were prepared for the
tion of co-operative loan banks of the Raiffeisen system, in imita-
of those that had been introduced into Lower Austria. Then, it being
ised that it was essential for the progress of a co-operative loan
to work on irreproachable commercial principles, a "Guide for the
ation of Co-operative Loan Banks of the F. W. Raiffeisen System"
published.

On July 1st., 1889, the first co-operative loan bank was founded at Weiskirchen-on-Traun. Others quickly followed. Then the Provincial Committee of Upper Austria undertook to give the new organisation help and advice. The officers of the province took part in the constituent meetings; a large number of instructive publications on certain details peculiar to commercial business were issued; a Raiffeisen Journal was also published in the Official Communications of the Landeskulturrat of Upper Austria. Thus, the true co-operative and commercial principles of the societies were brought under observation and in this way an advance was made towards the good development of the new organisation.

To assist the Provincial Committee in the accomplishment of its task in 1903 a *Provincial Co-operation Office* (1) was attached to it, and to this was entrusted the direct guardianship and the development of co-operative interests, as well as the foundation of a service of periodical inspection of the societies. In a more material sphere, the Provincial Committee facilitated the foundation of Co-operative Loan Banks, granting them loans at 3 %, up to the amount of 4,000 crowns, and the loan, without interest of an initial capital of 200 crowns.

This work was crowned with success, as we may see from the following figures showing the progress of the Upper Austria co-operative loan banks.

(1) *Landesbureau für Genossenschaftswesen.*

REGIONAL ORGANIZATION OF AGRICULTURAL CO-OPERATIVE SOCIETIES 3

	End of December, 1924	End of December, 1926	End of December, 1928	End of December, 1929	End of December, 1930
Number of Societies	82	152	213	243	256
Number of Members	3,370	14,047	21,133	26,495	28,946
Members' Shares	Crowns	Crowns	Crowns	Crowns	Crowns
Loans	139,902	343,272	493,673	593,594	638,393
Savings	175,800	359,600	727,899	1,221,749	1,121,465
Loans (Deposits).	1,451,536	9,646,870	22,192,006	37,596,754	43,635,493
Deposits in Current Account	1,163,408 (80)	7,399,340 (77)	13,631,818 (61)	21,362,295	25,196,142
Loans in Current Account	178,504	356,632	89,204	38,324	34,922
Working Expenses in the Current Year	about 10,000	782,620	581,823	605,099	730,536
Total Business done	unknown	36,846	71,118	96,030	113,212
Net Profits realised up to Date	15,753	16,533,758	41,268,431	56,471,234	65,482,179
		193,254	553,150	1,130,778	1,449,283

The rapid progress of the co-operative loan banks soon made the necessity felt for having a common clearing house. In this way the co-operative organization, with which the Provincial Committee had also occupied itself, was successfully completed. On July 1st., 1900, the *Central Co-operative Bank of Upper Austria* (1), a registered co-operative society with limited liability, commenced its operations. It was organized on the type of the Central Co-operative Bank of Lower Austria (2), and in connection with the Provincial Mortgage Bank. Its object was, on the one hand, to render it possible for the co-operative societies affiliated to it to find a suitable and safe investment for their available funds; and for the banks in need of money to obtain the necessary working capital, on favourable terms. On the other hand, it aimed at doing all in its power to lower the rate of interest asked by the banks and to fix this rate. The central bank has acquitted itself very successfully of this double task, and has thus largely contributed to the development of co-operation in Upper Austria. We see by the following figures what progress the Central Bank has itself made :

	1901	1906	1911
Number of Members	191	253	292
Co-operative Loan Banks (Included in the above figures)	171	224	251
Members' Shares (crowns) . .	8,130	11,770	14,740
Deposits	4,999,130	11,510,609	15,107,258
Credits	635,384	902,958	2,063,038
Reserve Fund	—	67,219	105,052
Total Business Done	20,606,333	47,822,566	56,276,658

Up to July 1st., 1906, the interest received by the Central Bank on the money invested by it in banks being very low, it could only give depositors $3\frac{3}{4}\%$. Only after that date did it grant 4% . In the earlier years its loans paid an interest of $4\frac{1}{4}\%$, but after 1902 this interest was no more than 4% . The central bank therefore manages to give its depositors 4% , which is the same rate as it obtains for its loans. The depositing banks receive thus, independently of all the fluctuations that may be produced on the market, the highest interest possible and the co-operative societies in need of credit are assured of it at the lowest rate possible. This is an undeniable success obtained by the Bank and deserves to be noted. The

(1) *Oberösterreichische Genossenschafts-Zentralkasse.*

(2) *Niederösterreichische Genossenschafts-Zentralkasse.*

rate of interest on deposits and loans has remained the same, although, in consequence of the constant fall in price of the securities selected by it for the investment of its funds, and in view of the losses that it would suffer if forced to realise, for a certain number of years the Central Bank closed its accounts at a loss. In fact, as the amounts received as loans from the Central Bank by the adherent societies represent only a small part of the capital at its disposal, it is obliged to seek profitable investments for its surplus funds. But the larger portion of the securities of a central co-operative bank, must necessarily be fluid, whence it follows that it cannot buy landed property or mortgage bonds with its available funds. It did not seem possible either to deposit its funds in current account in the Banks, on account of the very low interest they give on such deposits. The Central Bank could then only invest its large available funds in State securities, and, as after a certain number of years, the price of these securities fell, it would have suffered heavy losses, like a large number of other institutions, if it had had to realise.

But since the securities in possession of the Central Bank are only approximately half its total credits, and, as it is probable that it will not be obliged to sell at a loss, the deficit, which is besides only apparent, is not of great importance.

The foundation of the Central Bank also facilitates the collective purchase of farm requisites and the sale of agricultural produce. By the encouragement given to co-operative sale, the Central Bank has been placed in a position to give back, at least in part, to agricultural enterprise the profits made in agriculture. There are two organizations of co-operative sale of special interest. These are the Co-operative Sale Society of Austrian Teasel Growers (*Verkaufsgenossenschaft der österreichischen Kardenbauer*) with head quarters at Lungitz and the Co-operative Central Society for Sale of Table Butter (*Zentral-Teabutter-Verkaufsgenossenschaft*) with head-quarters at Schärding on Inn. The first was founded in 1896. Its object is to ensure profitable selling prices to the growers of teasel, a plant used in the manufacture of linen. In its early years this society had to contend against serious difficulties. For some years its position has been really prosperous. In the year 1909-1910, 12,321,800 teasel stalks and teasel heads had been consigned. Thanks to the stock accumulated in the previous year, it was able to sell 28,032,000 stalks, and there still remained in stock 20 million valued at 36,000 crowns. In the year 1910-1911, the society had 494 members, owning shares to the amount of 26,720 crowns and liable for 95,600 crowns. The net profits were 7,300 crowns and the reserve fund 9,448 crowns. The society has also built a warehouse at a cost of 20,000 crowns, the whole amount of which has been paid except 1,000 crowns.

The dairy organization is still more important, for it extends to the whole of Upper Austria. The Central Co-operative Society for the Sale of Table Butter was founded at Schärding in 1900. At first it only concerned itself with the sale of butter made by means of cream separators by independent farmers. It was found, at the start, that their produce differed very greatly in quality, so that, naturally, its sale was difficult. As a remedy, they

were led in 1902 to the collective production of butter in co-operative dairies by means of machinery, so as to obtain a uniform quality and facilitate its sale, under the direction of a central co-operative society. In 1902, the first co-operative dairy was opened at Ort-on-Antiesen. In the following years, 14 others were founded, and were federated in the Central Schürding Society. The centralisation of the sale in this latter undertaking is complete. In the first place, it was possible to obtain for it a good manager, experienced in commercial business. Besides, it has overcome the competition of the independent dairies, which used to offer lower and lower prices when it was difficult for them to find a market for their goods.

The dairy organization had also to contend with difficulties resulting from infant diseases. Thanks to the assistance of the State and the province, and the good will of its members, who have not shrunk from any sacrifice, it succeeded in overcoming them. It was seen that it was advisable to insist on certain conditions from the members of the independent co-operative societies. They must consign their produce to the organisation, renounce the right of leaving it of their own accord within the first five years, as well as contribute to form a large part of the initial capital under the form of shares or long term consolidated loans.

The 15 co-operative dairies united in the Central Society had, at the end of 1910, 2,072 members. The initial capital of the 15 societies amounted to 575,411 crowns, an average of 38,360 crowns for each. That year 10,660,816 kgs. of milk were treated as against 11,458,501 kgs. in 1909. The proportion of the cream to the milk was as 1 to 6. (1) These figures give per dairy per day an average of 1,974 kgs. against 2,122 in 1909. The production of butter was 389,799 kgs. against 417,288 kgs. in 1909, or an average of 25,986 kgs. per dairy as against 27,819 in the preceding year. This decrease in supply of milk and in production was due to the hay harvest being less considerable and of inferior quality, and to a decrease in the number of dairy cows.

In 1910 the working expenses of the 15 co-operative dairies amounted to 124,322.67 crowns or an average of 8,288.10 crowns per dairy; which makes 31.8 heller per kilogramme of butter and 1.16 per kg. of milk. These high working expenses depend largely on the expenditure for the supply of milk and cream. The payments made to the co-operative societies for the milk and cream supplied amounted in 1910 to 979,230.28 crowns or 65,282 crowns per society and 457 per member. In the same year, 8.36 heller per kg. of milk were obtained, whilst on private farms the amount varied between 10.7 heller and 7.42 heller.

In 1905 societies for the sale of eggs began to be associated with the co-operative dairies, so as to permit the farmers interested in dairy organization to occupy themselves with the sale of eggs independently of middle-

(1) As there are co-operative societies the members of which do not furnish milk but cream, in order that the accounts may be uniform and that a larger total amount may be obtained, one kilogramme of cream is taken as equivalent to 6 of milk.

men, and at the same time to make it possible for the purchasers of butter from the dairies to provide themselves with eggs. The members are paid for the eggs not by number but by weight. This is a detail not without a favourable effect on poultry improvement. These societies also are members of the Central Schärading Confederation for the sale of Table Butter, which occupies itself with the sale of the eggs. At the end of 1910, there were, in Upper Austria, 20 societies* for the sale of eggs. They had 1,310 members, owning 5,479 crowns in shares.

In 1906, the *co-operative sale of honey* was also undertaken. Co-operative societies for the sale of honey were founded, and they were also associated in the Central Schärading Society. At the end of 1910, there were 7 co-operative societies of this character in Upper Austria. They had 210 members and a share capital of 852 crs.

In the following table the figures for the goods sold in 1910 by the Schärading Central Society are given :

General Table Showing the Amount of Butter Sold by the Schärading Central Society, between 1900 and 1910.

Working Year	Butter Sold		Total	Total Proceeds from Sales	Average	Costs
	Butter of Independent Farmers	Butter of the Dairies			Price	
	Kilogrammes	Kilogrammes	Kilogrammes	Crowns	Seller	Seller
1900	79,053.00	—	74,053.00	162,858.00	206.0	21.1
1901	179,359.28	—	173,359.28	380,573.38	219.5	21.9
1902	179,499.85	85,974.75	265,474.60	588,822.66	221.8	20.8
1903	9,636.59	334,329.57	343,966.16	763,014.45	222.1	19.9
1904	345.45	319,111.92	319,457.37	757,902.05	237.3	18.1
1905	462.34	293,684.05	294,146.39	723,022.21	245.8	13.3
1906	216.34	322,000.30	322,216.64	806,345.93	250.3	14.0
1907	264.50	367,278.80	367,543.30	941,023.40	256.0	14.02
1908	—	415,762.20	415,762.20	1,102,570.95	265.1	14.66
1909	—	398,724.40	398,724.40	1,113,965.47	279.4	17.24
1910	—	368,153.80	368,153.80	1,103,415.64	300.0	16.85

*General Table showing the Quantity of Eggs Sold
by the Schürding Central Society between 1905 and 1910.*

Working Year	Eggs Sold		Total Proceeds from Sale — Crs.	Average Price per Egg — Heller	Costs per Egg — Heller	Average Weight of Egg — Grams.	Consign- ments — No.
	Number	Kgs.					
1905	128,662	6,962.95	8,434.65	6.557	0.428	54.25	9
1906	2,227,028	119,674.94	128,946.55	5.790	0.522	53.75	211
1907	2,760,969	150,951.25	164,939.10	5.974	0.540	54.77	260
1908	3,430,259	190,828.08	210,308.33	6.131	0.524	55.49	432
1909	3,143,138	177,286.78	210,299.76	6.691	0.581	56.41	446
1910	3,216,174	183,280.05	209,395.14	6.510	0.573	56.99	512

*General Table showing the Quantity of Honey Sold
by the Schürding Central Society between 1906 and 1910.*

Working Year	Honey Delivered — Kgs.	Honey Sold — Kgs.	Total Proceeds from Sales — Crs.	Average Price		Costs		Consignments	
				per kg.				Boxes	Parcels
				Crs.	Heller	Crs.	Heller	Number	
1906	675.30	278.25	656.67	2.360	38.7			10	20
1907	1,926.45	1,494.55	3,549.39	2.374	65.4			56	128
1908	3,186.20	1,675.15	4,080.80	2.426	68.0			43	177
1909	10,450.75	3,284.50	6,472.55	1.971	70.4			71	248
1910	1,827.10	8,131.30	14,952.10	1.839	43.0			210	478

The efforts made in Upper Austria to enable the farmers to supply the army and militia directly have led to the foundation of *co-operative warehouses*. The suppliers of the army and militia must have the amounts of forage and grain ready at the proper time and corresponding with the conditions established in the contract. This can only be managed if the grain to be supplied is ready sifted, and husked in special warehouses.

At the end the year 1910-1911, there were in Upper Austria 2 co-operative warehouses, one of them at Wels and the other at St. Florian. In 1911 a third was founded at Niederwaldkirchen. The Wels society had, in 1910-1911, 304 members who had 9,362 shares and were liable to an amount of 280,860 crs. The payments to members amounted during the year, to 564,412 crs., and the total sales appeared as 3,200,000 crowns. The net profit was 3,790 crowns. The society concerned itself with the supply of oats, hay and straw. It has 2 storehouses of hay and straw and a warehouse.

The co-operative warehouse of S. Florian has also made good progress. In the year 1910-1911, it had 98 members, possessing 4,460 shares and liable to the amount of 102,250 crs. The members were paid 192,976 crowns and the net profits were 4,382 crowns. This society has supplied the army with oats, hay and straw.

We must finally mention 9 *co-operative pasturage societies* of Upper Austria, the foundation of which is also due to the efforts of the Provincial Committee. But some of these latter are not working just at present as the land they require has not yet been found for them.

In 1910 a *Co-operative Society for the Sale of Livestock* was also founded. It occupies itself, with the sale of its members' livestock, live or slaughtered, for their account.

We see from this that, in Upper Austria, co-operation, considered as a means for realising the improvement of the middle classes, has, as regards agriculture, perfectly realised all anticipations.

Certainly, there is still no little to be done in Upper Austria in behalf of co-operation, especially as regards the improvements to be introduced in the organization of sales. The continual efforts of the most intelligent persons to develop the idea of co-operation and to give the farmer an accurate understanding of the relation of agricultural production to economics generally, permit of the hope that co-operation will successfully attain the ends to which it is tending in Upper Austria.

KINGDOM OF HUNGARY.

THE SECOND NATIONAL CONGRESS OF CO-OPERATIVE SOCIETIES.

On the initiative of the NATIONAL LEAGUE OF HUNGARIAN CO-OPERATIVE SOCIETIES, the Second National Congress of Co-operative Societies was held on October 25th. last, attended by 1,500 delegates of 400 societies.

Dr. Schandl Karoly first communicated the results of the steps taken after the 1910 Congress, in approaching the competent Ministers, with the object of having instruction in co-operation included in the school courses. In several normal schools and in several ecclesiastical seminaries instruction is now given in Co-operation and the Federation has arranged for the publication of a manual for the use of these establishments. Besides this, the Minister of Education has invited teachers to occupy themselves in a practical manner with co-operative societies and has instructed the inspectors of education to send him the names of those they consider specially deserving in this respect.

In consequence of a report by the Secretary of the League, Meskó Pál, on the supply of town consumers and the co-operation of rural producers, the Congress came to important decisions: it recognised the urgent need of the co-operative organization of agricultural producers and engaged to support every institution of a nature bringing the town consumers and the country producers into direct relations with each other. It proclaimed the advisability of the central co-operative societies for sale and transformation of alimentary produce being always at the disposal of the public administrations that may have recourse to their good offices with a view to obtaining such produce cheap, by the suppression of middlemen. It called for a reduction of railway rates. Finally, it advocated; 1st.; the foundation of public warehouses in the towns ordering their supplies from the central co-operative societies, which should furnish the articles directly; 2nd., the organization of markets open on certain days at fixed hours.

T. Tijhelyi Imre, Director of the Magyaróvár Agricultural Academy, showed the importance of co-operative dairies in the utilisation of secondary products, more than 200 million crowns worth of which are annually lost in Hungary, and asked for the foundation of a Central Co-operative Society for the whole country with regional unions working with it, for the organization of new dairies and the maintenance of those already

existing. For this purpose, the Congress solicited financial assistance from the Government.

Dr. Kovács József, Assistant Professor at the Debrecen Agricultural Academy, summed up, as follows, the advantages of mutual cattle insurance.

1st., It guarantees the comfort of the farmer and the preservation of agricultural wealth ;

2nd., It assures the preservation of the capital invested in livestock, develops livestock improvement and improves its conditions ;

3rd., It protects the small farmer against debt, usury and, consequently, against impoverishment and despair ;

4th., It makes the yield less variable, as the agricultural work is uninterrupted, owing to the compensation granted for losses ;

5th., Finally, it hinders the spread of contagious diseases, by obliging the farmer to give his cattle proper attention.

In view of these advantages, the Congress has asked for the preparation of detailed statistics of the cattle lost through disease and the passing of the recently proposed law on veterinary hygiene and for State compensation of losses through contagious disease. It further invited the agricultural associations of the Counties to encourage the foundation of local mutual cattle insurance societies, especially by diffusing a knowledge of the societies and their benefits in the Popular Agricultural Lectures given in the winter.

Dr. Andrassy Kálmán asked that the Minister of Finance submit to Parliament a bill to make the tax on revenue to which the co-operative societies are liable by article 20, paragraph 2, of the Law XIII of 1909, equal to the general tax on profits as established by article 13 of the law LIII of 1912, and to amend articles 18 and 20 of Order 75,000 of 1912, so that the amount of the refunds made by a co-operative distributive society to its members may not be included in the taxable income of the society.

On the proposal of Mezey Gyula, Professor at the Kassa Agricultural Academy, the Congress asked :

1st ; that the State should only recognise as Central Co-operative Societies organizations capable of assuring the maintenance of the co-operative spirit among the local unions affiliated to them ;

2nd., That the National League of Co-operative Societies should use its efforts to induce the agricultural and industrial co-operative societies to affiliate themselves to a Central Co-operative Society founded in conformity with the provisions of Law XXIII of 1898.

Finally, the Congress referred to its next session the discussion of a proposal of M. Károly, that 25 % of the net profits of the affiliated co-operative societies be paid into the reserve fund, 5 % be given as dividend and 5 % assigned to institutes of moral improvement, education or philanthropy. In case of dissolution, only the half of the reserve fund would be at the disposal of the General Meeting, the other half being set part to form the initial capital of an agricultural or charitable foundation.

ITALY.

LIVESTOCK IMPROVEMENT ASSOCIATIONS IN ITALY.

SOURCES:

- ASSOCIAZIONI ZOOTECNICHE IN ITALIA E ALL'ESTERO. Annali di agricoltura, 1911. No. 267. Ministero di agricoltura, industria e commercio. Direzione generale dell'agricoltura: Ispettorato generale dei servizi zootecnici. (*Livestock Improvement Associations in Italy and Abroad. Annals of Agriculture*, 1911, No. 267. Department of Agriculture, Industry and Commerce. General Management of Agriculture Inspectorate General of Livestock Improvement Services) Rome, National Press of G. Bertero and Co., 1911.
- VEZZANI (Dr. Vittorino): I sindacati d'allevamento in Italia. (*Livestock Improvement Syndicates in Italy*). Milan Premiata Tipografia Agraria. 1912.

§ I. ASSOCIATION IN THE FIELD OF LIVESTOCK IMPROVEMENT.

The increased consumption of animal produce, with the relative rise in prices, especially the high price of meat, now one of the principal articles of diet of even the humblest classes, as well as the large importation of livestock and the encouraging results in some cases obtained from the export of cheese, have lately incited the Italian farmers to give greater attention to livestock improvement. But here, as in other fields of economic action, the work of individuals has not always been efficacious. And indeed, the problem is essentially, as we know, to increase the production of livestock by the application of those rational systems suggested by the modern science of livestock, in the first place that of the improvement of breeds by means of careful selection. This delicate work necessitates no small expenditure, uniform action and diligent supervision, all things hardly possible for the individual farmer. And therefore there is need of association, by which so many problems of rural economy have been solved. It offers, in fact, manifold advantages: above all, it renders possible the continuity of a given system of livestock improvement, selected with regard to the type of livestock bred in the district and to the economic agricultural conditions of the environment; enables the work of improvement to be carried out simultaneously on the same principle over a large area; besides, in regions where small farms predominate, the farmers, by organising themselves, may better secure a uniform system in the

improvement of the industry and better support competition in the purchase of breeding stock and the sale of their produce.

The above reasons explain the extensive and increasing movement in favour of association among Italian livestock improvers. It is of recent date. In fact, except for a few rare instances⁽¹⁾, most of the livestock improvement associations and livestock improvers' societies have arisen within the last ten years. Especially since 1905 has there been an efflorescence of institutions in the land, undertaking, with admirable zeal, the improvement of local livestock. Nor does the movement show signs of slackening. But, up to a short time ago, there was only rare and fragmentary information to be obtained about the forms of organisation of the Italian livestock improvers, insufficient to give a concise and complete idea of the same. To fill the void and lay the foundation on which to base a complete programme of livestock improvement, the Minister of Agriculture sent out a circular to the Itinerant Agricultural Lecturers in the Kingdom on October 31st., 1908, asking for detailed particulars of the livestock improvement associations of the several districts. The answers received, carefully controlled by the General Inspectorate of Livestock Improvement Services at the Department of Agriculture, supplied the material for an important publication on the matter, edited by the General Management of Agriculture, from which we have derived the data for this article. From the enquiry which was closed in 1910, it appears that technical and economic institutions of various character assist in the progress of livestock improvement. They may be divided into two large classes: the first, consisting of the societies that devote themselves exclusively to the improvement of livestock (livestock improvement societies in the true sense) the second, of bodies pursuing at the same time other ends (agricultural *comizi* or consortiums, co-operative dairies, mutual livestock insurance societies, various agricultural associations). It will be well to examine both. Let us commence with the second, premising that the data here given for most of these organisations refer to 1909.

§ 2. ASSOCIATIONS PARTLY ENGAGED IN LIVESTOCK IMPROVEMENT.

(a) *Agricultural Comizi and Consortiums.*

The number of institutions in Italy engaged, though not exclusively, in livestock improvement is indeed considerable. Amongst them, first of all, we find the agricultural *comizi*. The action of these, in this field, is displayed chiefly in the promotion or subsidising of service stations, in the institution of herdbooks, in the organisation of congresses, competitions and cattle

⁽¹⁾ The Turin Livestock Improvement Society was founded in 1834, the Brescian Livestock Improvement Association in 1896; the Provincial Livestock Improvement Commissions of Treviso, Venice and Padua were also founded before 1900.

shows, in the promotion of the importation of selected breeding stock, the appointment of livestock improvement commissions and generally in laying down scientific rules for selection and improvement.

The action of the Piedmontese *Comizii* is specially worthy of notice, most of all that of those existing in the Provinces of Turin and Cuneo. To give some examples, the Mondovì *Comizio*, in addition to annually distributing sums for the maintenance of service stations, as do the *comizii* of Cuneo, Alba and Saluzzo (1) etc., provides for the keeping of a herdbook and for the institution among its members of a special livestock improvement commission which has been working since 1904, and extending its action to the whole district. To its initiative was due the organisation of the third Congress of Piedmontese Livestock Improvers (August, 1907).

The Cuneo agricultural *comizio* also appointed in 1906 a commission to study a complete programme of livestock improvement. Besides, in 1904, it opened a competition to promote the institution of co-operatives societies among livestock improvers, issuing appropriate regulations. It instituted and maintained for many years several service stations for horned cattle, besides some for pigs and one for asses. It also prepared rules for livestock improvement competition and model rules for horned cattle improvement associations. Finally, in May 1909, it organized the fifth Piedmontese Livestock Improvement Congress.

In the province of Turin, first of all, the Congress of Aosta deserves to be mentioned: its action in this field began in 1868, the year of its foundation. It warmly supported the institution of small local livestock improvement societies, promoted an inquiry into Alpine pastures and prepared the herdbook of the Valdostana breed of horned cattle (1890). The Turin Agricultural *Comizio*, in addition, promoted the first Congress of Piedmontese Livestock Improvers, the inquiry into the Alpine pastures of the district (1907) and formed a district livestock improvement association. It has now resumed the herdbook started in 1891 by the Turin Livestock Improvement Society and, in agreement with other Piedmontese *Comizii*, in 1908, it instituted the Piedmontese Committee of Defence against Epidemic Thrush Fever.

Passing over the action of similar societies in other provinces and turning to the agricultural consortiums, we find that their undertakings in the livestock improvement field are not very numerous, on account of their strictly economic scope. Notable amongst them is the Cavarzere Agricultural Syndicate in the province of Venetia, which in 1905 inaugurated a series of biennial livestock improvement shows, and started a herdbook for the local cattle, and the Agricultural Consortium of Reggio Emilia, which in 1905 organized a provincial poultry show and in 1901 started the permanent Provincial Commission for Livestock Improvement.

* (1) This *Comizio* established service stations for horned cattle in 1870 and for more than 25 years has given subsidies to from 18 to 25 of them. It also subsidises a pig service station in Saluzzo.

(b) *Co-operative Dairies, Mutual Livestock Insurance Societies
and other Organisations.*

Besides the Agricultural *Comizii* and Consortiums, certain co-operative dairies and mutual livestock insurance societies, some agricultural schools, many communes and in particular the itinerant agricultural lecturerships, are interested in the progress of livestock improvement.

It is very much to the purpose to observe that in the various institutions, especially in the more important ones, there is in general a tendency to a certain specialising in favour of the livestock improvement department, with the formation of relative committees or sections.

Thus, in the province of Cuneo, there are about two hundred mutual insurance societies, all working, in a secondary degree, for the improvement of livestock. The same may be said with regard to several co-operative dairies of the provinces of Cuneo, Udine and Brescia, where they also have occupied themselves with the building of sheds in the Alpine pasture lands and with the working of service stations for horned cattle.

But, as has been observed, the action most worthy of praise is that of the itinerant agricultural lecturerships. Without going into details, we may say generally that almost all the livestock improvement societies that have arisen within the last ten years, with which we shall deal in the following sections, received their first impulse from an intelligent lecturer. These institutions also habitually intervene in favour of livestock improvement, organising shows, providing for the importation of selected breeding stock and establishing service stations; this they especially do in regions where there is a lack of enterprise.

The importance of the work done by the Lecturership of the Province of Cremona, together with the other local agricultural institutions (the Cremona Consortium and the agricultural *comizii* of Cremona, Crema and Casal Maggiore) deserves special notice.

In 1900, as there was found among the farmers of the province a manifest tendency to use bulls of the brown Swiss breed for the improvement of the local horned cattle, of somewhat heterogeneous origin, and it was recognised that this tendency corresponded with sound livestock improvement principles, the above Lecturership took the initiative, together with the Agricultural Co-operative Consortium, in organising the importation of the animals suited to improve the stock, promoting collective purchase of the same by means of a special technical commission. Between 1900 and 1908 the number of the animals imported was about 700. It also interested itself in the improvement of horses, arranging importation from Belgium of 20 mares of the Ardennes race, thereby affording the horse improvers an opportunity for large gains, as heavy draught horses of the Belgian type are very much in demand on the local market.

Further, the Lecturership occupied itself in arranging livestock shows and competitions so that they might be held in accordance with a complete programme, at definite fixed periods. The first cow show of the new

series was held at Crema in 1905; it was followed by others, in 1906, 1907 and 1908. At Crema also two horse shows were held (1907 and 1908) and at Casal Maggiore two horned cattle shows (1906 and 1908). In the district of Cremona two provincial livestock shows were held in October, 1906 and September, 1907.

The Lecturership also prepared a programme of rules for the competitions to be held in the province. Finally, in 1905, it instituted courses of lectures for the *bergamini*, the men employed in the cowstalls, and in 1907 initiated a course of instruction for country farriers and started a herd book for the dairy cows. Likewise, to its initiative is due the Crema Livestock Improvers' Society for Mountain Pasturage of Livestock in Crema.

(c) *Agricultural Associations of Technical Character.*

Among the associations of technical character, working for the improvement of animal production in Italy, the first place is held by the Friuli Agricultural Association, with headquarters at Udine. In this province, the livestock improvement action, as, generally, the agricultural action, is centred in the above Association which, by means of the Provincial Itinerant Lecturership, of its periodicals, the *Amico del Contadino* (Peasants' Friend) and its bi-monthly Bulletin, and its numerous publications, may be considered as inspiring all the undertakings in the field of livestock improvement in Friuli, from the more important agricultural centres to the little mountain villages. And indeed, this meritorious society, founded on November 23rd., 1846 and recognised by Royal Decree of January 19th., 1871, as an institution of public utility, has always devoted a large part of its attention to the progress of the livestock improvement of the region.

One of its most successful undertakings was directed toward the improvement of horned cattle, and was effectually supported by the Provincial Administration.

In numerous articles in the organ of the association, it first of all settled the programme, laying stress on the importance of the selection of the bulls for the improvement of breeds.

After much study and discussion, the provincial deputies submitted to the Council certain definite proposals and in 1870 the Council passed a first vote of 50,000 francs, thus contributing to that wonderful change in livestock improvement which is to day the boast of the Friuli farmers and furnishes the best example for the other regions of Italy.

But, considering the improvement of horned cattle by means of selection too slow, the technical members of the Association decided to have recourse, as a more rapid method, to the importation of bulls from countries possessing improved stock. And the representatives of the Province intervened, undertaking all the expense of selection, purchase and importation of the bulls, which were afterwards handed over to the farmers at cost price, with the obligation, however, of letting them serve the cows of the community. Also the livestock shows, conducted on scientific principles, have been very useful.

Convinced of the benefits of organisation in the field of livestock improvement, the Association has encouraged the foundation of unions and syndicates among the farmers. It, therefore, in 1902, opened a first prize competition among the societies of the province, followed by a second in 1905 and a third in 1908.

It also championed the application of modern principles in the choice of the livestock. It was indeed among the first to introduce the system of points and measurements, now in common use among the Friuli livestock improvers, who find in it the surest means for giving a uniform direction to the selection of livestock and of guaranteeing the proper working of the herd-books.

Nor did it neglect the supervision of the bull stations, being afraid of the serious harm these may occasion to livestock improvement, when they are stocked with inferior animals.

In order to facilitate the exchange of bulls, it decided, in agreement with the Commune, to institute an annual provincial market show of bulls and bullocks. But greater interest was excited by the "First Show of Queens of Milk" in 1908, at which prizes were awarded to the best cows, judged by the quantity and quality of milk produced in a given time.

Nor, finally, must we forget the continual propaganda in favour of livestock improvement, carried on by the society by means of special lecturers and livestock improvers, merchants and farmers, who apply to the association for advice and information as to the price of the livestock, its character and aptitudes.

§ 3. LIVESTOCK IMPROVEMENT COMMISSIONS AND COMMITTEES.

Especially in North and Central Italy do there exist livestock improvement commissions and committees, having for their sphere of action the province, the *circondario* or the commune, for the most part founded by agricultural institutions or public organisations, which endeavour, by means of them, to stimulate the progress of livestock improvement in a special region, directing it uniformly and scientifically to a definite end. These commissions are not, therefore, due to immediate association among the farmers, but generally to the intervention of their social and representative institutions. The initial impulse for their formation is almost always given by the itinerant agricultural lecturerships. They are properly the instruments for the *diffusion of technical knowledge* in the agricultural world; embryonic and passing forms of organisation. And indeed, after a few years of propaganda and direct action, the permanent commissions, deriving their financial resources from local institutions and the Department of Agriculture, often succeed in forming the first groups of livestock improvers who, later, form real livestock improvement associations. These then continue and complete the work begun. All this has taken place in the Province of Reggio Emilia and the other commissions that have been formed aim, more or less, at a similar result. They

exist at Milan, Como, Sondrio, Treviso, Venice, Padua, Porto Maurizio, Reggio Emilia, Bologna, Ravenna, Ancona, etc.

As is justly observed in the above Departmental publication, their institution is particularly opportune in districts where livestock improvement is in its infancy, and has therefore need to be guided intelligently and firmly according to a pre-established plan.

§ 4. ASSOCIATIONS EXCLUSIVELY FOR PURPOSES OF LIVESTOCK IMPROVEMENT.

These are the livestock improvement associations properly so called, including various groups of organisations, which it will be well to examine separately.

(a) *Provincial Livestock Improvement Associations.*

From an examination of their rules it appears that these societies generally aim at : (a) promoting the scientific object of the provincial livestock improvement industries, by lectures, by introduction of selected bulls, by organisation of periodical shows of livestock and fairs, by award of prizes to the most conspicuous livestock improvers, etc.

(b) by attending to the interests of the livestock industry, from the hygienic and economic point of view, by working for the administrative or legislative measures necessary for the health and improvement of livestock, promoting the improvement of Alpine pastures and sheds, encouraging mutual livestock insurance, etc.

(c) Encouraging the institution of livestock improvement syndicates etc. Naturally there are differences between one association and another in the objects aimed at, due to the difference of surroundings, over which we cannot delay. They derive the means for their work from the annual contributions of members and from subsidies from the Government, the Province, the Communes and other organisations and private individuals. Associations of the kind have arisen in Lombardy, Venetia, Emilia, the Abruzzi and in the Capitanata. Their work gives good results in the provinces where agriculture is most advanced and in those, as the Ministerial Inquiry has ascertained, where the comparative uniformity of the conditions of the agricultural environment allow of one method of livestock improvement being followed in the whole district.

So in Lombardy we find the Brescian and Bergamo Livestock Improvement Associations prospering and providing for the improvement of the livestock in their respective provinces by a more extensive supply of the Alpine breed of horned cattle.

The first of these societies was founded at Brescia on November 28th, 1896 and has today about 600 members. It has taken the initiative in every

department. It began, first of all, by increasing the number of horned cattle service stations, which between 1897 and 1909 increased from 9 to 91, and it is now, with the assistance of the communes, consolidating their organisation, and increasing their numbers, so that they may be sufficient for the livestock of each commune. The bulls, imported for the purpose, and collectively purchased, were almost 500 in number.

In order thoroughly to control the results of the improvement work, it has already promoted 30 district and 3 provincial shows. It has opened two prize competitions for the improvement of Alpine pasture lands, for the first of which prizes were awarded to the amount of 9,000 francs, and for the second prizes to the amount of 15,000 francs.

In 1908, together with a livestock improvement society with headquarters at Bagnolo, it decided to proceed to register in a special herdbook, the best livestock of the whole province.

Nor has it neglected the fight against epidemic cattle diseases, propaganda, instruction in livestock improvement, etc.

In 1906 it took part in the Milan International Exhibition, where it gained the Royal Prize of 5,000 frs., the prize given by the Agricultural Department of 2,000 francs, nine certificates, 18 gold medals, 9 silver and 1 bronze medal.

In the province of Bergamo a beneficial influence is exerted by the Bergamo Livestock Improvement Society, founded in 1901, which, in addition to the common aims above referred to, provides for the importation of young Schwyz bulls and their transfer, at reduced prices, to the keepers of public service stations, occupies itself with the improvement of meadows and pasture lands and also assists in the progress of the cheese industry, both in the production of cheese and in the trade in it.

Two other societies, active and rich in members, are the Paduan Livestock Improvement Association (1) and the Veronese Livestock Improvement Association, both in Venetia, the first started at Padua in 1903, the second at Legnago in 1905. These organizations, on account of the different conditions of agriculture in the various districts of the two provinces, had to institute in them several *livestock improvement clubs*, with the object of decentralising the work of the association, thus rendering local enterprise possible. Thus the province of Padua was subdivided into 23 clubs or groups of communes, each of which is perfectly independent as regards its own programme. Each club is managed by a committee, presided over by a councillor of the association and assisted by the local veterinary surgeon and two members per commune, appointed by members of the society in the commune. The first club included the communes of Teolo, Torreglia, Bastia, Abano and Cervarese.

In the Province of Verona in 1908 the total number of livestock improvement clubs was 25. By the rules of the Veronese Association the clubs may be founded without limit of number of members or of area, in any district, provided there are at least 40 farmer members in it.

(1) Six months after its foundation this association had over 300 members.

Of other societies, also meritorious, as the Turin Livestock Improvement Society, dating from 1884, which first gave horse shows in Italy, and the Polesan (Rovigo, 1903), Mantuan (Mantua, 1906), Piacentine (Piacenza, 1906), Modenese (Modena 1908), Aquilan (Aquila 1910) Associations, the Association of the Capitanata (Foggia, 1911), the Salernitan Association (Salerno, 1912) etc., it is not possible for us to speak here (1). Their work also always consists in encouraging, by the means we know of, the increase of livestock in their respective provinces and the diffusion of the best technical and sanitary principles of Livestock Improvement.

(b) *Livestock Improvement Syndicates.*

These, which, as we know, flourish in other States (2), received their first incentive, as far as we can discover, from the widely distributed publications of the Friuli Agricultural Association. First, there appeared a work by Domenico Pecile, President of the Association, upon "Livestock Improvement Associations and how to encourage their Institution in Friuli." Then, in 1904, the same author published his very wellknown work on "Livestock Improvement Syndicates". In this way, the first notions on the regulation and work of these societies were diffused among the Italian farmers. The next year, 1905, the first syndicates were formed at S. Vito al Tagliamento (Udine), at Schio (Vicenza) and at Cagli (Pesaro). That at S. Vito was formed on the basis of the Swiss syndicates and at once began a vigorous action for the improvement of Friuli livestock. Several syndicates were founded in 1906: in Piedmont those of Tortona and Biella, in Lombardy, the Santa Brigida, Lenna and Lizzola (Sondrio) Horned Cattle Service Society and the District Livestock Improvement Society of Sermida (Mantua); in Friuli, there arose the Livestock Improvement Societies of Codroipo and Pordenone; in Liguria, the Livestock Improvement Club of Pieve di Teco (Porto Maurizio); and in Emilia, the Correggio Society, the Reggio Emilia Yorkshire Pig Improvement Society, and the first Romagnol Horned Cattle Improvement Society at Rimini.

The movement continued in the following years, so that it may be estimated that at present there are over 70 syndicates and kindred organisations and there is every reason to hope that the organisation of livestock improvers on a small or moderate scale will assume great importance also in Italy.

This organisation varies somewhat, from the small communal societies of the Val d'Aosta and those for horned cattle service in the Bergamo district,

(1) Another provincial livestock improvement association, started on the initiative of the Friuli Agricultural Association, is in course of foundation at Udine. See in connection with this, the Bulletin of the Association, nos 1-4. Udine, February 15th., 1912.

(2) For France, see our article: "Livestock Improvement in France and Recent State Encouragement", published in our number for May, 1912, p. 13. For Belgium, see our article, "Association for Livestock Improvement in Belgium", in our number for December, 1911, p. 31.

by a services of gradations, to the more important societies of the district of Reggio and the syndicates of Swiss type in the province of Udine.

In contrast with this variety of form, the natural consequence of the different conditions of environment, there is a notable uniformity in the choice of the kind of animal improved: these societies, in fact, have arisen almost everywhere for the improvement of horned cattle, while the stallion consortiums are still few in number and only a single society is occupied with pig improvement.

Let us now give a glance at their mode of organisation.

Some have assumed the character of horned cattle or horse service stations, limiting their action to the establishment of service stations, with selected males. To this type belong some of the Valdostan livestock improvement societies, those for horned cattle service in the province of Bergamo, the Sedegliano (Udine) livestock improvement society and the stallion consortiums of Padua and the Cremona district.

Let us begin with the horned cattle service societies in the province of Bergamo, Santa Brigida, Lenna, Lizzola, Valtorta, Dossena, Casnigo, Rovetta Zambra and Branzi. The object of each of these is the purchase, through the Bergamo Livestock Improvement Society, of selected Swiss bulls for public service stations.

The capital of the society is made up of shares subscribed by members, of additional payments that may be demanded of them, of service fees and eventual subsidies from organisations. The members have the right to have their cows served before those of non-members and the general meeting is held at least once a year. The meeting and the board of management (consisting of three members) are the executive bodies of the society: the second proceeds to the purchase of the bull or bulls, appoints the keeper, fixes his wages, proposes at the meeting the regulations for the working of the service station and supervises their application. These regulations concern the management of the bull, service fees, means for providing for the Alpine grazing of the bull, etc.

There follow provisions for the dissolution of the society, the division of eventual profits, etc. As to the stallion consortiums, these have been formed at Padua, Bergamo ("Heavy Draught Horse Improvement Society") and in the Province of Cremona (Crema, S. Giovanni in Croce, Piadena, Cignone, Ca' d'Andrea, Casalbuttano, Stagno Lombardo, Vailate, Annicco, S. Daniele, etc.); in the field of horse improvement they accomplish what the societies for the keep of bulls do for horned cattle (1). Let us examine briefly the rules of the "Heavy Draught Horse Consortium", founded in 1910 at S. Giovanni in Croce, with 14 subscribing members.

The object of the consortium is the purchase and scientific maintenance of a stallion of the Belgian heavy draught type, and the registration of the pedigree of the mares served.

(1) With regard to the Stallion Consortiums of the Cremona district, now about twenty in number, see the article of Vincenzo de Carolis, of the Cremona Itinerant Lectureship of Agriculture, published in "Cooperazione Rurale", Rome, no. 11, November, 1912.

The costs of purchase and keep of the stallion as well as the other debits are charged against the members in proportion to their subscribed shares. For every share the member has a right to free-service for one mare. For additional mares and for non-members the charge is twenty francs. The stallion is consigned to one of the members who provides for its maintenance, keep and management, in return for due compensation for his expenses.

Rather rudimentary forms of syndicates are found in the province of Belluno. Thus, the Meano Livestock Improvement Association has for its principal object the holding, of an annual show of livestock at Meano and the subsidising of four others in the communes of S. Gregorio, S. Giustina, Sedico and Sospirolo, besides the foundation of a mutual livestock insurance society. Founded in 1911, it has a large number of members, and is managed by a board of twelve. The other syndicates, that have arisen at Soverzene, Vallada and Villagrande, contemplate the purchase and maintenance of good bull calves, the institution of mutual cattle insurance societies, Alpine pasturage, and the purchase of farm requisites.

The members, at the general meeting, every year appoint a commission for the purchase of breeding stock, which has also to direct and supervise the service and may grant prizes of encouragement to the owners of the best calves to be reared for breeding.

The Belluno Syndicates have no share capital.

Let us now consider the fully organized syndicates. Their constituent principles, adapted in practice to the special conditions and requirements of the situation, may be summarised as follows :

(1st.) *Object of the Society*: This is generally improvement of the horned cattle in a special district (1). This object may be and is usually obtained : (a) by selection of a pure race already improved ; (b) selection of a local race, not yet well established, with the purpose of preventing irregular variation and raising it to the rank of a pure improved breed ; (c) continual crossing of the local livestock with a pure imported improved breed ; (d) improvement of an imported race, etc.

To these objects relating to the method of reproduction adopted, the syndicates usually add others, namely, the improvement of mountain pastures, propaganda and instruction in livestock improvement, the fight against infectious diseases, the most lucrative organisation of the sale of animals, as well as the encouragement of the foundation of mutual livestock insurance societies and the advocating of general measures for the health of the animals and the economy of livestock improvement.

(2nd.) *Means of action*: These are :

- (a) Examination, trial and eventual approval of the male and female breeding stock of members ;
- (b) installation of horned cattle service stations, with selected bulls.
- (c) importation of improved male and female breeding stock ;
- (d) Alpine grazing for young livestock ;

(1) Naturally, every syndicate decides what animal it intends to produce and what are the principal characters it desires it to have.

(e) organisation of livestock shows, fairs, livestock markets, and shows of cattle stalls ;

(f) registration of the pedigree of breeding stock ;

(g) marking ;

(h) collective purchase of cattle foods ;

(i) collective sale of the animals ;

(l) mutual insurance of the livestock bred ;

(m) encouragement of accessory industries (cheesemaking, etc.).

(3rd.) *Rights and Duties of Members* : The rights are generally the use, either gratuitous or at reduced rates, of the service station of the society, share in the bulls collectively imported, admission to shows and competitions reserved to members, right to attend meetings and to elect and be elected to offices in the society. The duties are exact observance of the rules, payment of entrance fees, annual contributions and charges for the approval of their livestock, purchase of shares, assistance to be given to secure the accuracy of the herdbooks, report of deaths, births and change of ownership of the animals registered, presentation to the technical commissions of the animals to be judged, approved and marked, the collection of the statistics as to the yield of milk of the cows, etc.

(4th.) *Executive Bodies of the Society* : In each syndicate there is almost always :

(a) A general meeting of members ;

(b) A board of management ;

(c) A committee for auditing accounts ;

(d) One or more technical commissions.

The general meeting is ordinarily held once a year, it has the most ample powers and elects the members of the board of management and the other technical officers and auditors.

The number of members of the board of management and the term for which they are appointed vary ; it generally appoints a president, a vice-president, a treasurer and secretary. Sometimes the board has also technical functions, sometimes again it delegates special committees to judge and mark the animals belonging to members, to supervise the bull stations, purchase bulls abroad, etc.

Besides the above general rules many syndicates have also special regulations for the work of the technical and supervision commissions, the working of the service stations, keeping of herd books, etc.

The existing syndicates, included amongst those to which the above general description applies, may be practically divided into two classes :

(a) syndicates without share capital ;

(b) syndicates with share capital.

The first derive their resources from entrance fees and annual contributions of members (foundation, ordinary and aggregate) ; from the fees for registration of animals approved and of their marks in the herd book ; from service fees ; from contributions from the Government, the Provinces, communes and other organisations.

In the second the members are obliged to purchase one or more shares of varying amount, from 5 francs in the Tortona Livestock Improvement Association to 25 francs in the Pordenone Livestock Improvement Society. Of the first type there are twenty syndicates: one in Piedmont (Biella) four in Lombardy (Sermide, Asola, Gazzuolo and Quistello), eight in Venetia (Palmarina, Cappella Maggiore, Chiarano, Fonte, Moirago, Quinto, Tarzo, Valdobbiadene); seven in Emilia (Casina, Castelnovo Monti, Castelnovo Sotto, Correggio, Luzzara and Reggio Emilia with 2).

In the second group we find the Piedmontese Syndicate of Tortona, the Lombard Syndicate of Grosio, those of Schio, Codroipo, Cividale, Maniago, Pordenone, S. Vito al Tagliamento in Venetia, of Rimini in Emilia, and of Cagli in the Marches, altogether 10.

The syndicates of type (a) are distinguished by a greater simplicity in their original regulations; those of type (b), almost all on the model of the Swiss syndicates, have, on the other hand, more complex regulations, with numerous minute provisions.

(c) *Alpine Pasture Societies.*

There are not very many Alpine pasture societies in Italy of fixed character with very definite rules. Many are founded, as occasion occurs, among the livestock improvers of a given locality who unite for the most economic utilisation of mountain pasture land. This has occurred in the Province of Pavia where, in recent years, temporary societies have been formed among the managers of farms for mountain grazing of cattle, without special rules or regulations, on the basis of simple conventions agreed to year by year among the parties concerned. These conventions, serving to regulate the relations between livestock improvers temporarily united, vary greatly, according to circumstances, and are in relation to the agreement made for the hire of the mountain land, which is entered into yearly. The same is the case in the Lodi district.

Four Alpine pasturage societies in the province of Bergamo; Castione (1904), Ornica (1906), Fino del Monte (1907) and Rovetta (1908) are, however, governed by definite rules.

Their object is to induce the *casalini*, small livestock improvers resident the whole year in the valleys of the Bergamo province who are compelled to give up sending their cattle to the mountains, or to send them to the Swiss mountains, to profit, as members of a co-operative society, by the Bergamo Alpine pasture lands.

Let us glance at the rules of the Ornica society. Its object is the utilisation, for a period of twelve years, of the "Valle d'Inferno" mountain pastures belonging to the commune, in return for the annual payment of 1,800 frs. The society is represented by a board of management of three members, two elected by the commune and one by the members belonging to the commune, who are elected for a year and are re-eligible. It is their duty to determine every year the number of head of livestock to be admitted to the grazing ground, and the charges to be paid for the same. These are in proportion to the payments to the commune and the expense

of the keep of the animals, the cheesemaking, etc. Further, it is the part of the board to provide for the best utilisation of the pastures and provide milchings, roads, water pipes and drinking troughs, as well as to advise members of the eventual sickness or death of animals, etc. Immediately responsible to the board is the chief herdsman, who must, especially, see to the good maintenance of the pasturage.

Another regularly organised society for Alpine grazing was formed for the first time at Crema, in February, 1909.

PUBLICATIONS OF RECENT DATE RELATING TO AGRICULTURAL CO-OPERATION AND ASSOCIATION.

(a) PUBLICATIONS OF AGRICULTURAL ORGANIZATIONS:

SOCIAZIONE AGRARIA FRIULANA: Resoconto sull'attività svolta nel 1911 fatto all'assemblea generale dei soci nella seduta del 18 giugno 1912 (*Friuli Agricultural Association: Report on the Work done in 1911, presented at the General Meeting of Members, in the Session of June 18th., 1912*). In the "Bollettino della Associazione Agraria Friulana", Udine. No. 9-18. September 30th., 1912.

ASSOCIAZIONE AGRARIA COOPERATIVA ALTO VERONESE: Resoconto dell'Assemblea generale dei soci del 16 settembre 1912 (*Agricultural Co-operative Association of the Upper Verona District. Report of the General Meeting of Members on September 16th., 1912*). In "Agricoltura Veneta", Verona, No. 19, October 18th., 1912.

WINA SOCIALE COOPERATIVA DI MEDOLLA. Relazione del Consiglio (*Medolla Co-operative Wine Society. Report of the Board*). Mirandola, Printed by Candido Grilli, 1912.

CONSIGLIO AGRARIO DI MONDOVI nell'anno 1910-1911. Relazione del Presidente (*Mondovì Agricultural Consiglio in the Year 1910-1911. President's Report*). Mondovì. Printed by Manfredi, 1912.

CONSIGLIO AGRARIO COOPERATIVO DI AREZZO: Relazione del Consiglio di Amministrazione per l'anno 1911 (*Arezzo Co-operative Agricultural Consortium: Report of the Board of Management for the Year 1911*). Florence, printed by Ramella, 1912.

CONSIGLIO AGRARIO COOPERATIVO DI COLLE VAL D'ELSA: Relazione e bilanci per l'esercizio 1911-12 (*Co-operative Agricultural Consortium of Colle Val d'Elsa: Report and Balance Sheet for the Year 1911-12*). Colle Val d'Elsa. Barenccoli and Cossì, Printers, 1912.

ETÀ CO-OPERATIVA POPOLARE DI MUTUO CREDITO IN CREMONA: Rendiconto 1911. (*Cremona Popular Co-operative Mutual Credit Society: Report for 1911*). Cremona, Meoni, 1912.

(b) OTHER PUBLICATIONS: .

- CASTELLI (Leo): L'organizzazione cooperativa in orticoltura (*Co-operative Horticultural Organization*) In "Rivista Agraria Polesana", Rovigo, No 18, October 15th., 1912.
- CORAZZINI (Celio). Le cantine sociali cooperative (*Co-operative Wine Societies*) Catania, 7.11.1912.
- GIANNINI (Francesco): Le associazioni padronali agrarie (*Masters' Agricultural Associations*) In "Rivista delle Società Commerciali", Rome, No. 9, September 30th., 1912.
- MEDRI (Antonio): Le organizzazioni nell'agricoltura (*Agricultural Organizations*), Firenze S. Giuseppe Press, 1912.
- MORESCHI (B.): Discorso pronunciato al Congresso delle Società di mutuo soccorso e per le aziende collettive (*Speech Delivered at the Congress of Mutual Aid Societies and for Collective Farming Societies*). In "Agricoltura Moderna", Milan, No. 18. September 30th., 1912.
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JAPAN.

I. — PROGRESS OF CO-OPERATION FROM 1909 TO 1911.

OFFICIAL SOURCES:

- AISEI SANGYO KUMIAI HO (*Amended Law on Co-operative Societies*). Department of Agriculture and Commerce, Agricultural Division. Tokyo, 1909.
- ANGYO KUMIAI YORAN (dai roku shi) (*Statistics of Co-operative Societies, No. 6*). Department of Agriculture and Commerce. Agricultural Division, Tokyo, 1909.
- ANGYO KUMIAI YORAN (dai hachi shi) (*Statistics of the Co-operative Societies, No. 8*). Department of Agriculture and Commerce. Agricultural Division, Tokyo, 1912.
- ANGYO KUMIAI YORAN (dai ku shi) (*Statistics of the Co-operative Societies, No. 9*). Department of Agriculture and Commerce. Agricultural Division, Tokyo, 1912.

INTRODUCTION.

In the number of the *Bulletin of Economic and Social Intelligence* for September 30th., 1910, we published a detailed statistical report on the co-operative societies in Japan. This report, based on the returns published by the Japanese Department of Agriculture and Commerce, in November, 1909, showed the situation of Japanese co-operation at that date, that is, before the beneficial effects of the new law on co-operative societies, passed in the Imperial Diet on April 8th., 1909, but coming into force only the 1st. of January of the next year, could make themselves appreciated.

The Department of Agriculture and Commerce at Tokyo has published in succession, on January 20th. and September 10th., 1912, two new reports on the matter, relating, the first to the situation of co-operative societies in Japan up to December 31st., 1911, the second to the situation of the same up to June 30th., 1912. From a comparison of the new with the former data it will be easy to measure the progress made by co-operative societies in Japan in the last two years. Before reproducing any statistics, we think it advisable to give a brief summary of the provisions of the law on co-operative societies.

§ I. THE LAW ON CO-OPERATIVE SOCIETIES.

The law recognises the legally formed co-operative societies as incorporated bodies and subdivides them into four classes :

(a) *Co-operative Credit Societies* : the object of which is to obtain for their members the capital necessary for their undertakings and at the same time to offer them an opportunity for economising.

(b) *Co-operative Sale Societies* : the object of which is the sale of the produce of their members, submitting such produce to final manipulation or not.

(c) *Co-operative Purchase Societies* : the object of which is the purchase of articles necessary for the industry and commerce of the members in order to sell them again to them ; or even the purchase of articles of the first necessity.

(d) *Co-operative Societies for Production* : which have for their object to submit the produce of the members of the association to a final treatment, or to provide them with the requisites for their undertakings.

The law, in spite of this classification, permits a co-operative society to exercise at the same time the functions of different classes.

The co-operative societies may next be further subdivided into other three classes, according as they are societies of unlimited liability, of liability limited to the members' contributions, or liability limited to a fixed amount in addition to that of the members' contributions.

The co-operative societies are exempt from payment of income tax and the tax on business operations, not, however, from registration duty, in which they are assimilated to other incorporated bodies and to associations legally constituted and not seeking profits (art. 6 of the Law on Registration Duty).

The minimum number of members a co-operative society may legally have is seven : the founders of a co-operative society must, in the first place, prepare the rules which must then be approved by the prefect.

The law lays down that the co-operative credit societies must work exclusively within the limits of a district clearly specified in the rules : only in exceptional cases, and with the consent of the prefect may such limits be exceeded. The constitution of co-operative societies with a limited number of members is not permitted.

The rights and duties of members are established in accordance with the provisions in the Civil Code, and the rules for admission and expulsion of members and for the liquidation of the society are fixed in accordance with the Civil and Commercial Code.

But the most important part of the new law is that relating to the Federations of Co-operative Societies and the Central Association of Co-operative Societies. This part was entirely wanting in the 1900 law.

Art. 76 of the law of 1909 declares that the co-operative societies may unite in Federations for the following purposes :

1st. To make loans to the federated societies and offer them the opportunity for increasing their economies (*Federations of Co-operative Credit Societies*);

2nd. To sell the produce of the federated societies, in such cases completing the manufacture of the produce (*Federations of Co-operative Societies for Sale*);

3rd. To sell to the Federated Societies the requisites for their undertakings, in some cases working such produce before selling to members (*Federations of Co-operative Purchase Societies*).

4th. To supply the dependent co-operative societies with the requisites for the undertakings of their members (*Federations of Co-operative Societies for Production*).

Also co-operative societies for purchase, sale and production may be admitted as members of the co-operative credit federations. This is not provided in the other classes of federations.

The law recognises these Federations as incorporated bodies.

The federation may be founded under the form of a co-operative society with liability limited either to the members' contributions or to a fixed amount beyond. If this latter type is adopted, the liability of the dependent societies or of the associated federations must be fixed within limits of the amount of the members' contribution. A federation may have members co-operative societies of corresponding type (with the exception in favour of federations of co-operative credit societies) as well as other federations of co-operative societies of the same type. The admissions and expulsions must be decided on in the general meeting of members.

As the field of the co-operative societies is generally limited to a single commune, so that of the federations is generally limited to a single province. However, they are also allowed, in exceptional cases, to extend their action to two or more provinces, always, however, subject to authorisation from competent authority.

The directors and inspectors of the federations are elected at the general meeting from among the directors and inspectors of the associated co-operative societies or federations (art. 80), unless special considerations make it desirable to elect such functionaries from among members who have previously held the aforesaid offices. In the latter case, however, the election must be confirmed by the prefect.

The law then recognises the existence of a *Central Association of Co-operative Societies*, working as a sole and central institute for the whole of France, both for the co-operative societies and their federations.

The law defines the object of this central association, declaring that it is constituted with the object of encouraging the formation of new co-operative societies and new federations, of extending the development of those already formed, and, finally, of facilitating business relations between the societies themselves.

The central association may also take part in the business of the co-operative societies, within strict limits established by Imperial Decree. Its

relations to the Federations are similar to those of the Federations to the Co-operative Societies.

§ 2. JAPANESE CO-OPERATION ON JUNE 30TH., 1912.

Having thus briefly examined the most important details of the 1909 law on co-operative societies, let us now see the progress that these societies and their federations made between that date and June 30th., 1912.

The total number of co-operative societies, which at the end of June, 1909 was 5,149, rose, in the next three years, to 9,394. This number was divided as follows among the various classes of co-operative societies :

Kinds of Co-operative Society		on June 30th., 1909	on June 30th., 1911	on June 30th. 1912
Co-operative Credit Societies.		1,864	2,386	2,6
" Societies for Sale		187	223	2
" Societies for Purchase		744	779	7
" " Production		64	89	1
" " Purchase and Sale		440	524	5
" " Sale and Production.		113	142	1
" " Purchase and Pro- duction		48	51	
" " Purchase, Sale and Production		200	229	2
" " Credit and Sale		29	384	3
" " Credit and Purchase		699	1,462	1,8
" " Credit and Production		8	13	1
" " Credit, Purchase and Sale		538	1,296	1,7
" " Credit, Purchase and Production		18	20	1
" " Credit, Sale and Pro- duction		3	36	
" " Credit, Sale, Purchase and Production		194	433	5
Total		5,149	8,067	9,3

N. B. The above table also includes the Co-operative Societies founded accordance with the Imperial Decree of June 10th., 1900, No. 255, namely, on June 30th., 1912, 8 societies for credit, 2 for sale, 15 for purchase, 1 for sale and production, 3 for sale, purchase and production, 2 for dit and purchase, 21 for purchase, sale and credit, altogether 52.

From the preceding table we see that the co-operative societies increased in the three years 1909-1912, at the rate of 1,415 a year. Seeing that increase in the three previous years was no more than 1,074 and that number of the co-operative societies cannot increase indefinitely, it will be easy to form an idea of the impetus given by the law of 1909 to the realisation of the co-operative idea. The proportion in 1909 of the total number of co-operative societies to the total number of cities, hamlets and villages, then existing in Japan (12,387) was 41.6 %. The proportion had risen on June 30th., 1911 to 65.1 %, since, while the total number of cities, hamlets and villages had remained almost unchanged, being then 12,385, the number of societies had risen, as we have seen to 8,067. The proportion at the end of June, 1912 was 75.88 %.

Other interesting data relating to the progress of co-operation are afforded by the following table, in which the total number of the societies is subdivided according to their organisation.

Year — December 31st	Liability Limited to, Members' Con- tributions	Unlimited Liability	Liability Limited to an Amount in Excess of Members' Con- tributions	Total	Percentage		
					Societies with Liability Limited to Members' Con- tributions	Unlimited Liability Societies	Societies with Liability Limited to an Amount in Excess of Members' Con- tributions
1908.	2,089	2,184	88	4,361	47.90	50.08	2.02
1909.	2,917	2,596	136	5,649	51.64	45.95	2.41
1910.	4,204	2,889	166	7,259	57.91	39.80	2.29
1911.	5,235	3,186	193	8,614	60.77	37.00	2.23

The reports of the Department of Agriculture and Commerce, from which are reproduced these figures, give the following for the Federations of Co-operative Societies on June 30th., 1911 and June 30th., 1912.

District	Kind of Federation	Number of Federations	
		June 30th, 1911	June 30th, 1912
Tokyo	Credit and Purchase	1	1
Kyoto	Credit	1	1
"	Credit and Purchase	1	1
Hyogo	Sale	1	1
Niigata	Credit	4	4
Gumma	Credit and Sale	3	3
Chiba	Credit	—	1
Tochigi	"	—	1
"	Sale	1	1
Miye	Credit and Purchase	1	1
"	Credit, Purchase and Sale	—	2
Aichi	Credit	—	1
"	Purchase	—	1
"	Credit, Purchase and Sale	1	1
Shiga	Credit	—	1
Miyagi	"	1	1
Okayama	Credit, Purchase and Sale	1	1
Hiroshima	Credit and Purchase	1	1
Yamaguchi	Credit	2	2
Fukuoka	"	—	1
Oita	Credit, Sale, Purchase and Production	—	1
"	Credit, Sale and Purchase	3	2
Total		22	30

N. B. — Except for the two credit federations of Miyagi and Tochig societies of liability limited with guarantee, all of these are liability societies.

3. NUMBER OF THE MEMBERS OF THE CO-OPERATIVE SOCIETIES.

The considerable advance of co-operation in Japan in the 10 years 1909-1912 is not only shown by the increased number of societies but also by the increase in the average number of members per society.

The following table gives some figures proving this :

	Financial Year			
	1907-1908	1908-1909	1909-1910	1910-1911
Total Number of Co-operative Societies Examined	1,623	2,596	3,528	4,922
Number of Members	151,123	284,654	392,411	584,085
Average Number of Members per Society	93	110	111	108

The average for the four years per society is, however, 105 members. The Department maintains in its Report that the average for all the societies in the Empire would not vary much from this, and, on the basis of these figures, it calculates, in consequence, that the total number of the members of the 9,394 societies existing on June 30th., 1911, would be about 980,000, that is more than twice what was calculated in 1909 (445,000). The following table enables us to examine the progressive movement of co-operation in Japan in each kind of society.

Kind of Society	Number of Societies Examined in the Year			Total Number of Societies in the Year		
	1907	1909	1910	1907	1909	1910
Co-operative Credit Societies	826	1,369	1,680	74,458	147,838	183,294
Societies for Sale	50	83	102	4,243	18,153	11,782
Sale and Credit	6	19	103	338	1,193	10,874
Purchase and Credit	117	593	979	15,227	71,393	104,695
Purchase	308	405	446	24,298	33,296	38,333
Production	12	25	34	626	1,481	1,277
Sale and Purchase	116	223	264	11,403	23,344	25,766
Sale and Production	19	44	59	2,161	3,685	5,464
Purchase and Production	10	20	22	619	1,095	2,252
Sale, Purchase and Production	55	84	104	4,711	7,239	7,993
Credit and Production	3	10	10	272	673	731
Credit, Sale and Purchase	81	463	803	10,992	61,833	109,751
Credit, Sale, and Production	?	1	2	?	21	30
Credit, Purchase and Production	1	14	20	129	975	1,399
Credit, Sale, Purchase and Production	19	175	294	1,646	19,382	30,444
Total	1,623	3,628	4,922	151,123	391,601	534,085

We also find a considerable increase in the number of members of the co-operative societies in each class of occupation between the end of 1907 and the end of 1910. This increase is clearly seen in the following figures, referring to 3,528 societies examined in 1909 and 4,922 examined in 1910.

Occupation	Number of Members			Percentage		
	1907	1909	1910	1907	1909	1910
Agriculture	121,136	322,820	437,588	80.16	82.27	81.93
Manufactures	7,033	18,248	21,564	4.65	4.65	4.04
Commerce	10,475	25,007	34,257	6.94	6.37	6.41
Fisheries	3,028	4,158	9,106	2.00	1.06	1.71
Other Occupations . .	9,451	22,178	31,570	6.25	5.65	5.91
Total . . .	151,123	392,411	534,085	100.00	100.00	100.00

A fact which the above figures reveal is worthy of notice, namely, that while the percentage of members engaged in manufactures remained unaltered for the two years 1907-1909, it decreased in the following year. A variation in a contrary sense is however, observed in the case of agriculture and fisheries.

§ 4. CAPITAL.

As regards the capital of the co-operative societies, the results of the enquiry provide us with the necessary data for judging of the increase in number and amount of the members' contributions, the reserve fund, loan, savings and working capital.

(a) *Number and Amount of Shares.* At the end of 1909, in a total of 3,528 societies examined, the total number of shares reached the figure of 782,203, or an average of 221 per society, and considering that the average number of members per society was 111, there was an average of 1 share per member. At the end of 1910, however, for a total of 4,922 societies, the number of shares amounted to 1,071,892, an average of about 218 per society. The average number of members in that year per society was 108, which means the average number of shares was about 2 per member. The same average of shares was also obtained by the enquiry made at the end of 1907.

For 3,527 co-operative societies examined, the total amount of contributions paid up at the end of 1909 reached the amount of 5,179,335 *yens* (

(1) 1 *yen* = 2.38 *frs.* at par.

(13,362,700 frs.), which is, on an average, 11,999 yens (5.155 frs.) per society, and 18 yens (47 frs.) per member.

Similarly, for the 4,923 societies examined in 1910, the amount of members' shares was 7,477,192 yens (19,291,155 frs.), which is an average of about 1,519 yens (3,919 frs.) per society and 14.6 yens (37.67 frs.) per member.

At the end of 1907 the corresponding averages were 1,483 yens 45 per society and 15 yens 95 per member.

(b) *Reserve Funds and Other Special Funds.* The amount of these funds which, in 1907, was, for 1,592 associations examined, 473,106 yens, reached in 1910 the amount of 1,407,938 yens for the 4,923 societies, to which the enquiry extended. The average amount of these funds per society in the three years 1907-1910, therefore, decreased from 297 yens 18 per society to 285 yens 99 and from 3 yens 19 per members to 2 yens 64.

(c) *Loans.* The amount of the loans contracted in the course of the year by the 4,923 associations to which the 1910 enquiry extended, was 3,258,780 yens. Taking into account the report for the previous year, the total amount of the loans contracted at the end of 1910 was 11,288,553 yens, that is 2,293 yens per society and 21 yens 23 per member. These averages were, however, at the end of 1907, respectively 2,400 yens and 25 yens 81. The working expenses, which, in 1907, amounted to 258,413 yens, in 1909 were 6,946,286 yens and in 1910 8,029,772 yens.

(d) *Savings.* From the following data we see the variations in the amount of the savings in the three years 1907-1910:

Particulars of the Amounts	1907 — yens	1909 — yens	1910 — yens	Average per					
				Society			Member		
				1907	1909	1910	1907	1909	1910
Savings	1,605,719	4,375,647	7,304,824	—	—	—	—	—	—
Brought Forward from Pre- vious Year	4,604,227	9,124,554	11,301,070	—	—	—	—	—	—
Total . . .	6,209,946	13,500,199	19,505,894	5,903	5,119.53	5,013.8	60.23	58.80	55.70

It is to be observed that these figures naturally refer only to the co-operative credit societies or to societies engaged at the same time in credit and other co-operative work. The 1907 enquiry referred, therefore, to only 1,052 societies with an average of 93 members each, while the 1909 enquiry

referred to 2,637 societies with an average of 87 members each, and that for 1910 to 3,891 societies with an average of 90 members each.

(e) *Working Capital.* The fluctuations of this capital in the three years 1907/8 - 1910/11 appear from the data given in the following table, showing the average per society.

Particulars of the Amounts	1907-1908	1909-1910	1910-1911
	Yens	Yens	Yens
Amount of Paid Up Shares	1,483,451	1,997,417	1,518,828
Reserve Fund and Other Special Funds	297,177	253,670	285,992
Loans	2,400,418	2,729,039	2,293,023
Total	4,181,046	4,980,129	4,097,843
Deposits	5,902,990	5,119,530	5,013,080
General Total	10,084,036	10,099,656	9,110,923

These averages naturally refer to the co-operative credit societies and those doing other business in addition to credit business. However, the first total may also refer to co-operative societies not engaged in credit work. From the above data it is seen that the amount of the working capital of these co-operative societies has remained fairly stationary, notwithstanding the considerable increase in paid up shares: this is due, principally to the large decrease in the amounts deposited. We are led to other conclusions when we examine the working capital of all the co-operative societies generally. We therefore give below a few data on the subject:

	Co-operative Societies engaged in Credit Bus		
	June 30th., 1909	June 30th., 1911	June 30th.
Number of Societies	3,342	6,010	
Average Working Capital Yens	10,084	10,099	
Total	33,700,728	60,608,832	66,510,000

From the above figures it appears therefore that, in only three years, the working capital of the Japanese societies generally increased by about

83 % exceeding the considerable figure of 75 million *yens* (about 190 million francs). It may be of some interest to note the difference taking place in three years in the different divisions of the working capital, the average of which per member we give below :

	1907-1908 (yens)	1909-1910 (yens)
Paid up Shares	15.951	17.995
Reserve Funds and other Special Funds	3.195	2.285
Loans	25.811	24.586
Total	44.957	44.866
Deposits	60.230	58.845
General Total	105.187	103.711

In the three years, therefore, the average working capital per member has decreased by about $1\frac{1}{2}$ *yen* (3.80 frs.).

§ 5 BUSINESS OPERATIONS.

The results of the departmental enquiry with regard to the business operations of the co-operative societies are subdivided into three groups : those relating to operations conducted by the co-operative credit societies, those relating to the operations of societies for sale and those relating to the operations of the societies for production.

(a) *Co-operative Credit Societies*. These societies act, as we know, also as savings banks for their own members. The fluctuations in the savings department between 1907 and 1910 was as follows :

	End of 1907	End of 1909	End of 1910
Number of Depositors . Yens	44,314	150,106	232,485
Total Savings Deposited. »	1,544,245.129	4,375,647.054	7,204,824.579
Average per Depositor . »	34.848	29.150	30.990

Five Societies not engaged in Credit Business			Total		
June 30th., 1909	June 30th., 1911	June 30th., 1912	June 30th., 1909	June 30th., 1911	June 30th., 1912
774	2,013	2,093	5,116	8,023	9,394
1,181	4,980	4,098	—	—	—
1,094	10,024,993	8,576,785	41,117,822	70,723,926	75,095,634

It must be remarked that, while, on the one hand, savings are effected on a continually larger scale, the average amount of deposits per

depositor has considerably diminished, decreasing above all between 1907 and 1909. This is to be attributed largely to the fact that the new depositors are for the most part very poor farmers, whose contributions, if they serve to increase the amount of the two first items in the above table, tend to reduce the average of the deposits appreciably. It is enough for the purpose to observe that cases of deposits of not more than 10 *sen* (0.25 frs.) are not rare.

With regard to the fluctuations in the amount of the loans made by co-operative credit societies, the following table offers data for comparison:

	Amount of Loans	Amounts Repaid	Bal at E Y
Number of Societies Examined	1,048	2,634	
Total Amount yens .	8,428,431	19,643,088	25,41
Average per Society yens .	8,042.396	7,457.513	6,5

Dividing the average of the loans per credit society by the average of members per society (87 in 1909 and 90 in 1910) (1), we obtain an average loan of about 85 *yens* (219.30 frs.) per member in the first year and 61.43 *yens* (158.50 frs.) in the second. This average was, on the other hand, 82 *yens* (211.50 frs.) in 1907.

The average amount per loan appears from the following table:

	1907	1909	1910
Number of Loans	47,721	136,920	204,366
Amount of Loans at End of Year yens	3,140,120.528	8,402,509.416	11,905,574.732
Average per Loan	65.803	61.368	58.256

In all these tables, as also in those relating to the working capital, we find some discrepancies, to explain which we are obliged to conclude that some data relating to the number of the loans have been omitted and that, in calculating the above total, the amount of some loans has been deducted (2).

We give here the principal variations in the rate of interest on loans and deposits for the period 1907-1910:

(1) This average refers of course only to co-operative societies providing credit, since the average of the members of all the societies was, as we saw, 111 in 1909.

(2) Cfr. *Bulletin of Ec. and Social Intelligence*, No. 1, year I, pp. 360 et seqq.

	Maximum			Minimum			Usual		
	1907	1909	1910	1907	1909	1910	1907	1909	1910
Rate of Interest on Loans	18 %	19.5 %	18.3 %	8 %	5 %	4.8 %	12 %	12 %	12 %
" " Deposits	10 %	12 %	13.2 %	3 %	3.6 %	2.6 %	6 %	6 %	6 %
Difference between the above	8 %	7.5 %	5.1 %	5 %	1.4 %	2.2 %	6 %	6 %	6 %

Amounts Repaid			Balance at End of Year		
	1909	1910	1907	1909	1910
248	2,634	3,892	1,048	2,634	3,892
378	11,240,578	13,505,480	3,496,921	8,402,510	11,905,574
339	4,267,494	3,470,062	3,336,757	3,190,019	3,058,986

As regards the maximum rates for 1909, it is well, however, to observe that the two rates 19.5 % for loans and 12 % for deposits were exclusively adopted by the co-operative societies of the *Ken* (district) of Okinawa (Ju-Kiu Islands).

(b) *Co-operative Sale Societies*. — The differences in the amounts of goods sold by these societies in 1907 and 1909 were considerable, as will be seen from the following figures :

	1907	1909	1910
Number of Co-operative Societies Examined,	344	1,091	1,731
Total Amount of Goods sold <i>Yens</i>	3,891,546	9,404,518	11,276,067
Average per Society "	11,316	8,620	6,514

(c) *Co-operative Purchase Societies*. — Including under this title all the co-operative societies conducting purchase business, even if at the same time with other kinds of business, the figures for the years 1907-1909 may be given as follows :

	1907	1909	1910
Number of Societies Examined	635	1,977	2,932
Amount of Purchases Made <i>Yens</i>	2,226,655	4,753,019	7,461,130
Average per Society "	3,484	2,404	2,545

d) *Co-operative Societies for Production.* — The 1912 enquiry did not furnish any statistics with regard to the course of business of these societies as indeed neither did the enquiry in 1909 nor that in 1911.

In conclusion, it may be observed, that the co-operative movement in Japan, only beginning a little more than ten years ago, and reinforced less than three years ago by the amended law of 1909, presents all the character of a rapid and constant progress such as perhaps is not to be met with in any other country.

2. — CO-OPERATIVE SOCIETIES FOR PRODUCTION AND SALE OF HORNED CATTLE, HORSES, ETC.

SOURCES:

HOMPO SANGYURA KUMIAI YOKAN (*Report on the Co-operative Societies for the Improvement of Horned Cattle and Horses, etc. in Japan*). Tokio, 1910.
NOSHOMU TOKEI HYO (*Statistical Tables of Agriculture and Commerce*). Tokyo, 1910.
FINANCIAL AND ECONOMIC YEARBOOK OF JAPAN, Tokyo, 1911.

INTRODUCTION.

Before the old Japanese Empire came into contact with Western civilisation and even for no short time after the opening of the ports to European and American trade, the industry of livestock improvement was almost entirely neglected in Japan. The farmer limited his labour to the cultivation of the fields and the rearing of silkworms, and very rarely devoted any part of his time to improvement of his livestock which, besides, was for him a very poor investment, as at that time meat diet was an almost unknown thing and the use of milk and milk products was extremely limited: livestock was therefore only made use of for transport or as an auxiliary in cultivation: the latter use was, however, comparatively limited above all on account of the small area of the farms.

The altered conditions of life, due to the new and very rapid civil and economic progress, subjected even this branch of Japanese agricultural activity to profound alteration: meat diet entering little by little into the habits of a large part of the population, the use of milk and milk products becoming general, the necessity of a large supply of horses for

military purposes, were so many reasons for realising the urgency of proceeding speedily with the development of livestock improvement.

The Government, especially since 1885, has taken every step to encourage this development and to incite the producers to improve the breeds by importation from Europe of large supplies of excellent breeding stock, establishing livestock improvement stations, instituting accurate systems of inspection for stallions and granting subsidies to livestock improvers.

Notwithstanding this, the progress has not been too rapid. It is true that, in Japan, even to day the average annual consumption of meat is not above 77 kg. per inhabitant, while in America and England it is 68.100 kg. and 53.57 kg. respectively. But this was not the only impediment to the development of livestock improvement on a large scale in Japan; another, and perhaps the chief, was the difficulty the Government had in convincing the livestock improvers of the necessity of producing, by means of crossing the native with imported stock, mixed breeds, far better suited for the production of milk and of meat than the native animals.

To enable the reader to compare the conditions of livestock improvement industry as carried on to day in Japan and in one of the States of the Western world, we reproduce below some data relating to the development of livestock improvement in Japan and in Italy. We have selected the latter country for our comparison, because the development attained by the industry of livestock improvement there represents approximately the general average for the whole of Europe.

Kinds of Livestock	Italy		Japan	
	Number of Head of Livestock			
	per 1,000 inhabitants	per 1,000 hectares	per 1,000 inhabitants	per 1,000 hectares
Horses	28.2	33.3	28.6	33.2
Asses and Mules	36.5	43.2	—	—
Horned Cattle.	182.7	216.1	24.8	28.8
» Sheep	329.2	389.4	0.1	0.1
» Goats.	80.0	94.7	1.6	1.8
» Pigs	73.9	87.4	5.4	6.3

It is enough to examine these figures to understand how little important the industry of livestock improvement in Japan still is, except in the department of horse improvement.

§ 1. CO-OPERATIVE SOCIETIES FOR PRODUCTION AND SALE.

With the object of encouraging still further the development of this industry, the Diet of the Empire, on February 14th., 1900, approved the law on co-operative societies for production and sale of livestock.

By this law improvers of horned cattle and horses etc. are permitted to unite in associations for the purpose of improving the breeds and at the same time of augmenting the profits of the industry, by increasing the production of livestock and facilitating its sale, not only by the institution of markets for the purpose, but by seeking, by means of an active propaganda and by encouragements, to increase the consumption of the immediate or derived produce of the industry.

Both the work of propaganda and of encouragement are strongly supported by the Government, which, while, on the one hand, it favours consumption, especially by introducing the use of meat diet in the army and navy and, on the other hand, production, assists more or less extensively in the installation of the different co-operative societies; assigning prizes at shows and for prize competitions and at fairs, and allowing the farmers the use of its breeding stock, etc.

To this class of co-operative society has already been assigned a special sphere of action (city or commune) by the authority of the prefects: the law, however, allows that, in special cases, these limits may be exceeded, with authorization of the said authority.

These co-operative societies may be formed on the adhesion of $\frac{2}{3}$ rds of the livestock improvers carrying on their business within the limits within which the society is to work: the provincial authority shall then give it approval to the rule prepared in the general meeting of foundation member.

In some cases the societies may be formed on the initiative of the Department of Agriculture and Commerce. The competent authority provides, in the cases and in the degree it judges necessary, for the systematic registration of the livestock. It also provides a part of the breeding stock and establishes the service stations.

The law approved, as we have said, in February, 1910, came into force on July 1st. of the same year. In all its other provisions, the law on co-operative improvement societies, corresponds with the previous law on co-operative trade societies. The law, therefore, also recognises the federations of these co-operative societies, just as it recognises the federations of other societies.

§ 2. DEVELOPMENT OF THE CO-OPERATIVE SOCIETIES.

The data we reproduce below permit of our observing the progress made by this class of societies from the date on which the law concerning them was promulgated up to the 30th. of July, 1910.

Year	Co-operative Societies for Improvement of Horned Cattle, Horses, etc.	Federations of Co-operative Societies for Improvement of Horned Cattle, Horses, etc.	Co-operative Societies for Horned Cattle Improvement	Federations of Horned Cattle Improvement Societies	Total
1900	46	1	14	—	61
1901	10	—	7	—	17
1902	11	—	9	—	20
1903	7	1	10	—	18
1904	11	—	6	—	17
1905	16	2	5	—	23
1906	19	3	9	—	31
1907	15	1	12	1	29
1908	13	2	20	—	35
1909	10	2	17	—	29
1910 (July 30th.)	5	1	7	—	13
Total . . .	163	13	116	1	293

N. B. In the figures for 1900 also those associations have been included which were constituted before the promulgation of the law, merely with the sanction of the provincial authority.

From the above data it appears that the development of this class co-operation, if not yet very considerable, has been, none the less, continuous and permanent. The same may be said in regard to the number members, as appears from the following figures :

Year	Number of Societies Examined	Total Number of Members	Average Number of Members per Society
1906	187	383,069	2,048
1907	213	448,780	2,107
1908	246	527,266	2,143

Also the number of the head of cattle owned by the members, has, naturally, increased in proportion :

Year	Head of Cattle	Increase	Average Number of Head of Cattle per Member
1906	385,478		1.01
1907	468,424	82,946	1.04
1908	560,021	91,597	1.06

With regard to these figures it deserves to be remarked that the annual increase not only continues, but tends to become considerably larger.

That the action of the Government and the impetus given by it has not been ineffectual is shown again, not only by the data we have reproduced, but also by the following figures relating to the annual production of livestock.

Year	Annual Production	Increased Production
1906	88,753	. . .
1907	112,771	24,018
1908	137,613	24,842

The continually greater importance assumed by these societies further shown by the fact that, while, even in 1906, the number of livestock born registered in the co-operative societies' books, was 58 % of the total of the number born in the whole of Japan, the proportion had risen to 70 % in 1908, so that the Department judges the day not far off when almost the whole of the livestock (especially of horned cattle) will belong to members of such associations. We reproduce here some interesting data on the subject.

Year	Number of Head of Livestock born in the Whole Country in the Year	Number of Head of Livestock belonging to Members of Co-operative Societies born in the Year	Percentage
1906 . . .	151,400	87,753	58.62 %
1907 . . .	174,785	112,771	64.52 %
1908 . . .	195,487	137,613	70.39 %

In the three years 1906-1908, the fluctuations in the number of bulls and cows belonging to the members of co-operative societies or to the societies themselves was as follows:

Year	Bulls and Cows belonging to		Total	Increase
	Members of Co-operative Societies	Co-operative Societies		
1906 . . .	150,455	668	151,123	. . .
1907 . . .	174,858	797	175,655	24,532
1908 . . .	211,594	879	212,573	36,918

§ 3. FLUCTUATIONS IN THE CAPITAL OF THE CO-OPERATIVE SOCIETIES.

The co-operative societies for production and sale naturally derive their chief income from the sale of livestock. They have, therefore, provided, as we have already said, for special markets, and for the institution of fairs, shows, prize competitions etc. The following figures refer to the amount of livestock produced by the societies in the years 1906-1908.

Year	Head of Livestock Sold	Amount — yens	Average Amount per Head of Livestock — yens
1906	33,812	854,505.56	25.27
1907	47,547	1,947,540.83	40.46
1908	66,024	2,113,050.05	32.00

The working expenses during this period rapidly increased, almost doubling themselves, as is seen in the following table :

Year	Number of Societies Examined	Total Working Expenses — yens	Average per Society — yens
1906	187	333,534.03	1,783.82
1907	213	501,093.55	2,352.55
1908	246	802,103.04	3,260.54

In these working expenses are included the costs of the keep of the breeding stock and of upkeep of the buildings, of the service stations, of inspection of the breeding stock, installation of markets and of stables and pens for the livestock, of shows, fairs, prize competitions, the organisation of the new census of horned cattle and horses, etc, as well as all the money spent on the improvement of food stuffs and the feeding of the livestock generally and in propaganda for the extension of the use of the principal and secondary products of livestock improvement.

The working expenses are in part balanced by the engagements of the members, which are in proportion to the number of head of cattle belonging to each member, by the service tickets, the percentage commission on sales, etc.

The reserve funds largely increased between 1906 and 1907: in the following year, on the other hand, they underwent a notable decrease, as appears from the following figures :

Year	Number of Societies Examined	Reserve Funds (yens)	Average per Society (yens)
1906	187	6,674.65	35.69
1907	213	13,734.38	64.48
1908	246	12,789.93	51.99

The principal liabilities of the societies are due to expenses in connection with

- 1st. foundation of the society ;
- 2nd. building of offices, cattle stalls, stables, etc ;
- 3rd. building of service stations and store houses for harness, saddlery and various implements ;
- 4th. purchase of stallions, bulls and other breeding stock ;
- 5th. building and organisation of markets ;
- 6th. preparation of shows, prize competitions, cattle fairs, etc ;
- 7th. institutions of courses of study on the horse, farriery etc.
- 8th. purchase of land ;
- 9th. rearing and keep of mares, the mares being supplied by Government.

§ 4. BREACHES OF CO-OPERATIVE CONTRACT.

The rules of the societies impose penalties on members failing to fulfil the obligations contracted by them in entering the society.

It is particularly interesting in order to judge of the strengthening of the spirit of discipline and solidarity among members of these societies to observe that, in spite of the considerable increase in the numbers of the associations and of their members, the number of members rendering themselves liable to penalties is considerably decreasing, as the following figures show :

Year	Number of Societies Examined	Number of Members Punished	Average of Men Punished per 80
1906	187	349	1.89
1907	213	216	1.01
1908	246	216	0.87

These penalties were, in the great majority of cases, inflicted for the following reasons :

- (a) clandestine sale of livestock ;
- (b) breach of the market regulations ;
- (c) delay of payment ;
- (d) failure to present the livestock at the inspector's visit ;
- (e) non-observance of the provisions relating to the arrangements for the new cattle census.

The following table summarises in a few figures all we have so far said in this article :

	1906	1907	1908
number of Societies.	187	213	246
number of Members { Total	383,069	448,780	527,266
Average per Society	2,048	2,107	2,143
head of Livestock { Total	385,479	468,424	560,021
owned by Members { Average per Member	1.01	1.04	1.06
livestock Born	88,753	112,771	137,613
average of Livestock Born per Parent Animal	0.59	0.64	0.65
breeding Stock { Belonging to Co-operative Societies.	668	797	979
Belonging to Members.	150,435	174,858	211,594
Total	151,123	175,655	212,573
head of Livestock Sold in the Year. . . .	33,812	47,547	66,024
amount Received for Sales (Yens)	854,505.56	1,947,540.82	2,113,050.05
average Amount Received per Head of Livestock.	25.27	40.46	32.00
expenditure { Total	333,534.03	501,093.68	802,103.04
Average per Society.	1,783.82	2,352.55	3,260.58
reserve Funds { Total	6,674.65	13,734.38	12,789.93
Average per Society.	35.69	64.48	51.99
liabilities { Total	26,213.59	51,149.18	74,174.99
Average per Society.	140.18	230.75	301.52

§ 5. FEDERATION OF CO-OPERATIVE SOCIETIES FOR THE PRODUCTION AND SALE OF LIVESTOCK.

The civil personality of these federations, as well as of all the federations co-operative societies, was recognised when the amended law on co-operative societies was promulgated (April 8th., 1909)

The tendency is to form one for every province and to extend its sphere action to all the societies of the same province.

As we saw at the beginning of this article, their number on July 30th., 1910 was altogether 13. The Department has published certain figures relating to the financial years 1906-07-08, for some of these federations, namely those of the provinces of Nagano, Aomori, Toyama, Fukuoka and Oita. All these federations accept, without distinction, as members, co-operative societies for production and sale of horned cattle

and horses, etc., except those of the province of Aomori, which are two the one for horned cattle, the other for horses, etc.

Although the data supplied by the Department are very fragmentary we consider it well to group them in the following table, which may afford a standpoint from which to judge of the importance of these federations.

Federations of Aomori.

(a) *Federations of Co-operative Horned Cattle Improvement Societies.*

	1906	1907	1908
Number of Members	6	6	7
Working Expenses (yens)	—	410.44	835.89

(b) *Federation of Co-operative Horse etc. Improvement Societies.*

Number of Members	12	12	12
Working Expenses (yens)	2,366.72	3,476.89	5,574

Federation of Toyama.

		1906	1907	1908
Head of Livestock	Horned Cattle	—	—	—
owned by Members	Horses, etc.	15	18	19
Livestock born	Horned Cattle	—	—	—
	Horses, etc.	—	10	8
Breeding Stock belong- ing to the Federation	Horned Cattle	—	—	—
	Horses, etc.	1	4	5
Horses, etc. Sold by the Federation	Number	—	5	6
	Amount - yens	—	350	480
Working Expenses - yens		400	818	1,010
Obligations Contracted		—	285	285

N. B. These obligations were contracted to meet the expenditure for prize competitions.

Federation of Oita.

		1906	1907	1908
Number of Members		10	10	10
Breeding Stock	Horned Cattle	—	1	1
owned by the Federation	Horses, etc.	—	—	—
Working Expenses - yens		373.44	944.60	2,499.1

OF LIVESTOCK OF THE PROVINCE OF AKITA.

The number of head of livestock varied also almost in the same proportion, as is seen from the following figures :

Among the means adopted to increase the production of the co-operative society, the following were most extensively resorted to: (a) *purchase of breeding stock, importation of bulls and stallions* (Holstein bulls and French stallions of Anglo-Norman stock), as well as the temporary employment of Australian mares, belonging to the Government. The variations in the number of head of breeding stock and of births in the five years 1906-1908 is seen in the following figures:

		1906	1907	1908
Number of Head of Breed-	{ Horned Cattle	3,292	2,134	4,432
ing Stock	{ Horses, etc.	39,151	38,452	44,725
Stock Born	{ Horned Cattle	1,351	1,167	2,430
	{ Horses, etc.	9,191	9,024	10,504

With regard to the breeding stock, we must also observe that some of them belong to the society and the rest to the members. The number of the head of breeding stock belonging to the society has remained almost unvaried, as the following figures show:

		1906	1907	1908
Livestock belonging to the Society	Horses, etc.	20	20	21
	Horned Cattle	144	149	142

(b) *Opening of Markets for the Sale of Livestock produced by Co-operative Society.* Altogether, in the whole province, there were opened markets for the sale of 2 year old foals and 13 for the sale of 2 year old calves. The average prices for the first were 56 yens per head (145 frs.) and for the calves 45 yens (116 frs.).

In the three years 1906, 1907-1908, the receipts from these sales more than doubled themselves; increasing from 330,636 yens (853,042 frs.) in 1906 to 687,608 yens (1,773,928 frs.) in 1908. Also the average of these receipts per member increased in turn from 10 yens 58 in 1906, to 15 yens 37 in 1907, to reach 17 yens 92 in 1908.

The following table gives some more detailed information relative to the sale of the livestock during the above period:

Year	Livestock Sold				Total Amount of Sales
	Horned Cattle	Amount	Horses, etc.	Amount	
		yen		yen	yen
1906	1,229	39,409.40	9,100	291,227.30	330,636.70
1907	1,062	56,660.70	8,925	408,023.60	464,684.30
1908	2,315	105,046.50	10,400	582,562.30	687,608.80

From these figures we again find that the average price of livestock in the province of Akita has considerably increased: rising from 32 yens 24 in 1906 to 45 yens 38 in 1908 per head of horned cattle (2 year old calves) and from 32 yens in 1906 to 56 yens in 1908 per horse (2 year old foal).

(c) *Prize Competitions, Exhibitions and Shows.* These are held in the month of October of each year, in conformity with the provisions in the rules for the improvement of horned cattle and horses etc. The prizes (in money) are altogether sixty, 25 for the show of horned cattle and 35 for the horse show. They are divided into four classes: the prizes of the first three classes for horned cattle are given by the Department of Agriculture and Commerce and those for the horse show are given by the Horse Inspection Department.

Part II: Insurance

BELGIUM.

THE RÔLE OF MUTUAL AID SOCIETIES IN OLD AGE AND DISABLEMENT INSURANCE.

OFFICIAL SOURCES:

- LABOURS of the Members of the Workmen's Pension Commission. Labour Office, Department of Industry and Labour, Brussels, 1900.
- REPORT on the Workmen's Pension Commission, Labour Office, Department of Industry and Labour, Brussels, 1900.
- GENERAL SAVINGS BANK AND PENSION SOCIETY. Report on its Working and General Situation.

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- KDÉ (Alphonse): Les retraites ouvrières en Belgique (*Workmen's Pensions in Belgium*). Paris, Giard et Brière, 1907.
- ELLOM (Maurice): L'assurance contre l'invalidité en Belgique. (*Disablement Insurance in Belgium*). Paris, A. Rousseau, 1911.
- UBOIS (Jean): Les pensions de vieillesse en Belgique (*Old Age Pensions in Belgium*). Brussels, 1902.
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- ER HEES: Les pensions ouvrières d'invalidité et de vieillesse (*Workmen's Old Age and Disablement Pensions*). Revue économique internationale, August, 1907.
- ulletin de la Prévoyance (*Bulletin of Thrift*).
- ulletin de la Mutualité (*Bulletin of Mutuality*) (Organ of the National Alliance of the Belgian Christian Mutual Federations).
- e Mutuelliste (*The Mutualist*) (Organ of the National Union of the Belgian Undenominational Mutual Federations).

§ I. GENERAL CHARACTERS OF BELGIAN MUTUALITY.

The mutual aid societies, also called in Belgium mutualist societies, are there regulated by law of June 23rd., 1894, which divides them into two classes : those with a *claim* to legal recognition and those that *may* receive such recognition if the Government judges fit, after enquiry into their object, the resources at their disposal and their rules.

Art. 1A. — Legal recognition may be claimed by societies with their head quarters in Belgium, founded for purposes coming exclusively under one of the following heads :

1. Assurance of temporary assistance to members and their families in case of sickness, wounds, infirmity or childbirth ; provision for funeral expenses ; grant of temporary assistance to the families of deceased members ;
Facilitation for members and members of their families to become affiliated to the savings bank, pension and insurance departments of the General Savings Bank and Pension Society under State guarantee ;

2. Assurance of compensation for members in case of loss or sickness of their livestock, or damage to their crops through accidental circumstances ;

3. Facilitation to members and members of their families, but no one else, to purchase, by means of the accumulation of their savings, ordinary articles or articles of consumption, implements of labour, domestic animals or articles serving for temporary or periodical requirements, especially manure or seeds ;

4. Grant of loans to members not exceeding the amount of 300 francs.

B. — Societies for objects included at one and the same time in several of the four classes we have just enumerated, as well as those assuring their members pensions out of their capital increased by contributions without affiliating them to the General Society, have no claim to legal recognition any more than the Federations of Societies. Both may nevertheless be recognised ; but this legal recognition will depend on circumstances of which the Government will judge, reserving to itself the right to refuse the favour if it considers that the society, in its rules, in other respects regular, assumes too great risks or such as are too unsuited for the good working, necessary for its financial equilibrium, to be possible.

Recognition gives the society obtaining it ;

- (1) *Civil Personality* within the limits and under the conditions established by the law ;

- (2) Certain special advantages ;

(A) *Civil Personality*. — The recognised societies have the right to *sue at law*, to receive donations and legacies, and to *own property*, under certain conditions. The law has, however, set strict limits to this capacity in regard to certain important acts ; division of the capital during the life

of the society, reimbursement of members' contributions, and investment of share capital; in addition, by means of a permanent supervision of the work of these societies, it has been careful to ensure their constant conformity with its prescriptions. For this purpose, the recognised mutualist societies must, within the first two months of each year, forward their accounts to the Permanent Commission of Mutualist Societies and must also answer all requests for information the Government, the Permanent Commission or the Patronage Committees forward to them on matters of their business.

(B) The recognised mutualist societies enjoy a certain number of fiscal advantages, such as exemption from stamp and registration duty for the greater part of their legal acts, the right of franking their correspondence with the Government, the Permanent Commission of Mutualist Societies and the Patronage Committees. They enjoy also the right of insertion in the *Moniteur*, free of charge, for all the publications required by the law and, notably, for their rules; exemption from distraint and transfer of the assistance granted to members temporarily or annually (annual assistance is only exempt from distraint and transfer up to the amount of 360 francs).

Finally, recognised mutualist societies benefit by special pecuniary advantages or allowances which may be classed under two heads:

(a) *Costs of Installation and Annual Compensations.* — On application, with statement of the grounds for it, recognised societies may obtain from Government a subsidy to assist them in meeting the expenses of their initial installation and organisation. This subsidy is generally a lump sum of from 125 to 200 francs.

Some provinces (Hainaut, East Flanders, and Limbourg) follow the example of the State. The usual subsidy they give is 50 francs.

The Government also sometimes grants an annual allowance of from 20 to 150 francs to important societies with large working expenses. This amount is most often granted as compensation to the secretary and treasurer of the Society. It is substituted in the mutualist pension societies by a premium of 8 centimes allowed by the General Savings Bank and Pension Society, for every annual payment made by means of collective pension books. Further, the Government places on the Estimates of Expenditure of the Department of Industry and Labour an annual subvention of two francs per pension book in which an amount of at least three francs, not including subsidies from the Government, has been entered as paid in the past year.

(b) *Other Privileges.* The National Bank receives without charge, in its Brussels and Antwerp offices, the deposits of securities belonging to the recognised mutual societies.

The General Savings Bank accepts their deposits of money in current account and ensures them an interest of 3 % without brokerage or remuneration to the *Business Manager for work in connection with their pension books*. This provision is important for the pension societies, as it permits them to transfer their deposits from the Savings Bank to the Pension Society. It is thus that the treasurer who takes the precaution (most usually imposed

by the rules) of paying into the Savings Bank all the money he receives, as it comes in, has only to send the Society's savings bank book to the Pension Society, together with the memorandum of the payments he desires to make. The operation is effected free of charge and without the ordinary delays required by the Savings Bank for the withdrawal of an amount exceeding a hundred francs.

The position of the recognised mutualist sickness insurance societies may be summarised as follows :

Working expenses	Receipts	Expenditure	Total of		Capital of the Society
	Extraordinary		Receipts	Expenditure	
65,826.78	199,803.92	76,171.70	933,851.59	803,133.37	2,127,771.20
67,832.00	219,754.99	91,754.52	1,013,506.12	914,045.42	2,255,841.03
72,798.78	283,972.34	107,660.57	1,175,007.45	1,006,546.43	2,466,386.48
75,702.47	319,183.61	122,941.30	1,265,967.11	1,056,638.78	2,692,159.65
79,597.46	357,996.26	134,478.70	1,415,945.08	1,227,336.41	2,830,648.36
77,920.95	439,612.26	163,022.56	1,627,515.06	1,294,333.81	3,370,799.23
93,646.78	517,335.27	203,364.49	1,919,250.17	1,531,099.69	3,867,228.03
107,193.45	697,405.13	306,379.65	2,390,012.64	1,911,456.70	4,561,092.11
128,225.49	770,730.07	405,099.26	2,734,122.39	2,380,928.54	5,116,052.96
140,337.01	889,951.36	443,032.84	3,084,032.69	2,708,457.26	5,707,411.36
186,034.67	959,202.07	513,219.35	3,489,423.18	3,065,342.06	6,667,431.52
195,057.57	1,015,114.10	530,130.01	3,664,224.19	3,225,459.17	7,106,324.13
207,754.35	1,111,347.67	541,170.17	3,918,573.72	3,417,391.56	7,619,572.78
252,731.55	1,209,425.32	629,924.13	4,209,124.63	3,839,101.24	8,006,218.03
272,815.50	1,317,494.31	719,421.69	4,598,246.94	4,123,202.67	8,576,028.52
293,005.69	1,406,724.13	823,742.21	4,892,924.36	4,404,525.04	9,113,924.45
—	—	—	5,124,927.42	4,695,724.37	9,585,547.56
—	—	—	6,134,101.04	5,644,010.41	10,111,067.41

As we see, the importance of the mutualist societies insuring against sickness becomes greater every year. The part taken by these societies in old age insurance is still more considerable.

§ 2. THE LAW OF MAY 10TH., 1900 ON OLD AGE PENSIONS.

As we know, the law of May 10th., 1900 inaugurated a system of old age pensions based upon the voluntary principle with encouragements and subsidies. The voluntary payments, either through mutual aid societies or directly to an agency of the Pension Society, are paid into private accounts at the General Savings Bank and Pension Society under State guarantee. The intervention of the State is exerted in two ways :

1. *By proportional premiums.* — The members of the Pension Society receive every year a premium of 60 centimes per franc paid by them up to the amount of 15 francs. The annual premiums, therefore, in the case of a single member, can not exceed the amount of $0.60 \times 15 = 9$ frs. These premiums are paid into the fund for pensions with alienated capital, but for the benefit of all members, whether they contribute to pensions with alienated or reserved capital. The premiums are however, discontinued in the case of members, who, contributing to pensions with reserved capital, have made payments which would have entitled them to a pension of 360 francs, had they been contributed for pensions with alienated capital.

With regard to those who contribute through the medium of mutual societies, the law grants them the premiums on condition that their annual payments do not exceed 60 francs and that the persons in whose names the books are opened do not belong to the class of civil servants who already have a claim to pension by virtue of the laws and regulations to which they are subject.

2. *By grant of subventions and indirect advantages to mutual societies,* which are, as we have already seen, reimbursed in a large degree for their expenses of initial establishment and receive two francs a year per member, who, in the course of the previous year, has paid a contribution of at least three francs. This subvention is intended to cover the working expenses, but, as in practice these expenses are extremely small, the greater part of the subvention is placed, as a payment made by the society, to the account of the members to increase their pensions.

Let us add that the law has taken care to grant immediately to those citizens who are too old to enjoy the legal premiums for many years, the actual present value of the assistance to be granted to the younger persons at the end of several years.

1st. Persons, sixty five years of age on January 1st., 1901, receive an annuity allowance, exempt from all charges, of 65 frs., on condition of their being having been workmen or workwomen, of Belgian nationality, being

resident in Belgium and not in enjoyment of an income of more than 3 francs or assets which, if invested, would give an annuity of 365 francs ;

2nd. Persons over 58 years of age on January 1st, 1901 acquire the right to an allowance of 65 francs as soon as they attain the age of 65 years, on the same conditions :

3rd. Persons at the same date aged more than 55 years and less than 58 years also enjoy the same privileges, but on condition of contributing at least 18 francs within the minimum period of three years. The annuity acquired by these payments is added to the allowance of 65 francs and forms an annuity of about 75 francs.

4th. For persons aged over 40 years on January 1st, 1900, since the law of August 20th., 1903, the annual premium is raised :

(a) To 1 franc per franc for those who on the 1st. of January, 1900, were between 40 and 45 years of age ;

(b) To 1.50 fr. per franc for those who at the same date were between 45 and 50 years of age ;

(c) To 2 frs. per franc for those who at the same date were over 50 years of age.

§ 3. THE PART OF THE MUTUALIST SOCIETIES IN THE APPLICATION OF THE LAW.

The part of the mutualist societies in the application of the law is threefold :

(1) They engage to formulate the application of all their members for membership in the Pension Society ;

(2) They engage to pay their members' contributions to the Pension Society by means of the mutualist pension book ;

(3) They themselves ascertain and inform the Pension Society of the existence in the case of each of those concerned of the conditions entitling them to premiums.

The treasurer first of all makes each of the members of his society who desires a pension sign a statement of the manner of payment selected by him and the age at which he desires to receive his pension. The member has nothing else to do but to forward under form of subscriptions the amount he desires to invest in an old age pension. These payments are transferred at the end of each year, to the Pension Society, which records them on a memorandum. Finally, the society every year, before the 15th. of March forwards to the Department of Industry and Labour tables giving details of all the payments made in the course of the year by its members, with a very explicit statement of the various conditions they satisfy in order to enjoy the benefits of the law.

Practically, almost all contributions to the old age pension fund reach the Pension Society through the mutualist societies. In 1910, the number of mutualist members was 645,945 against 316 independent. At the same

date, of 2,629 Belgian communes there were no more than 127 without pension societies. It is further to be observed that these communes are almost all too small to justify the foundation of a society and their inhabitants have preferred to affiliate themselves to societies in neighbouring communes.

The following table shows both the payments by the members of mutual societies and the State premiums and subventions :

Years	Number of Mutualist Pension Societies	Number of Members	Number of Payments made by Members	Amount of State Premiums Corresponding to Members' Payments	Amount of Subventions of 2 francs per Pension Book
1900	3,327	227,870	2,490,000	1,087,480	411,136
1901	4,319	328,205	3,698,000	1,749,141	601,292
1902	4,597	280,296	4,750,000	2,216,119	704,402
1903	4,813	455,012	5,884,000	3,281,579	784,334
1904	4,933	503,301	6,337,600	3,547,770	848,344
1905	5,053	541,614	6,858,000	3,778,768	920,464
1906	5,305	579,002	7,921,283	4,111,891	1,007,202
1907	5,380	596,000	8,255,100	4,256,496	1,060,722
1908	5,526	605,670	8,743,748	4,500,000	1,104,340

§ 4. REINSURANCE AND DISABLEMENT SOCIETIES.

The Belgian mutual aid societies generally only grant sickness allowances to their members for three or six months; at the expiration of that period the member is left to his own resources. Yet, the problem of disablement insurance, too serious and above all too burdensome to be attacked by a single society, may be faced with more chance of success by a federation of societies. Such is the origin of the reinsurance societies, which are federal associations formed among the mutualist societies, in order to ensure their members sickness allowances after the cessation of the assistance given by the sickness society. The members of the societies affiliated to the reinsurance society pay it a special monthly contribution through the medium of the local sickness insurance society to which they belong. The contribution is generally 20 centimes per month or an allowance of 1 franc per day, but this rule is not universally applied. On the one hand, in fact, in agricultural or very healthy regions, it was possible to make the contribution, at least at the start, less than 20 cen-

times and in certain localities the daily allowance has been reduced to 50 centimes; on the other hand, unhealthy employments, giving rise to chronic diseases, have been a reason for increasing the contributions. Since 1903, the Government has intervened with financial assistance in behalf of these societies and a law of May 5th., 1912 establishes the subsidised voluntary system applicable to them.

According to this law, the State subsidy is fixed in proportion to the total amount of contributions paid by full members in the previous year; it is 60 centimes per franc.

The benefit of this Government subsidy is reserved for the associations which satisfy the following conditions:

1st. Of being recognised by the Government as mutualist societies or federations with at least two thousand members engaged in disablement insurance. The grant of legal recognition implies, in fact, as counterpart of the advantages and subsidies it procures, the official supervision of the business; the department may examine into the regularity of the work, the observance of the rules, the employment of the funds of the society and the subventions for the purposes for which they are assigned, that is to say the mutualist work to the exclusion of any extraneous object, whether political or commercial.

2nd. Of admitting full members up to the age of 40 years at least.

3rd. Of having mutual reinsurance for its object, that is, guaranteeing a right to their sick or disabled members allowances of 1 franc per day at least in continuance of the temporary allowances granted for three months at least, or six months at most, by recognised mutual societies; in other words, the mutualist member is not the recipient of an eventual favour; he is the possessor of a certain right.

4th. Of ensuring the above allowances up to the age of 65 years.

5th. Of forming reserve funds by the establishment of a suitable proportion between the receipts and expenditure. For the purpose, the total amount of subscriptions paid by the members, increased by the interest on the invested capital, must amount at least to 75 % of the total allowances granted. The Government allows the remaining 25 %, the working expenses and the formation of the reserve funds, to be met by means of other funds, such as the masters' contributions and subventions.

The situation of these societies and the subsidies they receive are shown in the following table we reproduce from the Belgian Statistical Yearbook for 1911:

Expenditure ments the antage of femblers pensated	Expenditure			Capital of the Society	Premiums Granted by Government for Business Done in 1907
	Working Expenses	Other Expenditure	Total		
»	»	»	»	»	»
»	»	»	2,030.75	4,010.40	»
»	»	2.29	2.29	11.48	»
»	36.00	1,524.40	1,695.40	7,828.88	»
»	»	»	5,094.00	99.90	»
»	88.30	400.80	10,357.60	26,421.76	»
»	»	»	182.50	»	»
»	»	»	»	»	»
»	»	»	359.00	»	»
»	124.30	1,927.49	19,721.54	38,172.62	»
»	95.25	61.20	3,666.45	42,278.90	5,125.28
»	885.55	69.90	4,338.10	33,513.92	5,755.97
»	145.65	147.76	293.41	1,563.23	1,024.61
»	766.54	2,968.92	6,609.72	20,858.58	3,468.89
»	5,930.65	4,620.03	93,275.53	222,285.20	30,777.29
»	1,846.86	17,231.37	37,056.73	132,185.21	18,940.83
»	120.25	181.90	589.65	10,533.46	554.86
»	»	130.42	689.42	3,955.32	353.18
»	293.55	»	5,368.55	16,617.48	3,738.94
»	10,084.30	25,411.50	151,887.56	465,791.30	69,739.85

§ 5. THE PART OF THE MUTUAL SOCIETIES IN THE NEW
SOCIAL INSURANCE BILL.

The movement which is leading Belgium towards compulsory insurance already caused pensions for the Coal Miners to be decreed compulsory. Experience has already shown in the case of these workmen that the risk of old age is not the only, nor the most serious, one against which they have to provide. So the idea has been conceived of regulating generally social insurance societies against sickness, incapacity and old age, by attaching to each of these risks its real importance, that is, only solving the question of workmen's pensions collaterally with the organisation of sickness and disablement insurance. Such is the object of the bill laid before the Chamber of Representatives by Chev. de Ghellinck d'Elseghem April 24th., 1912.

The bill provides for the compulsory affiliation of workmen earning less than 2,400 frs. a year to a voluntary mutual aid society, the advantage of which will be to develop in the whole working class the spirit of thrift as well as of mutuality, while giving the workman serious guarantees of his independence and of the good working of the society.

(a) The insured, if in receipt of daily wages of more than 2 fr. 50 c., must ensure for themselves, by payment of at least 6 frs. a year, a minimum allowance of 1 fr. per day. Medical assistance and medicines are provided to them by means of the masters' contribution of 3 frs. per year and a contribution of 3 frs. per year from the State.

Women and workmen under 20 years of age or over age, on application, will be exempted from insuring themselves for more than 50 centimes, medical aid and medicines being assured to them equally with the other members.

Finally, dispensation from all contribution may be granted, on application, to:

- Workmen of less than 15 years or more than 65 years of age ;
- Servants boarded and lodged by the head of the business,
- Workmen on pension ;
- Workmen over 20 years of age who can show they only gain wages less than 12 francs per week.

The employees dispensed with will nevertheless have the right to medical assistance and medicines and to treatment in the Sanatoria, within the limits of the resources of the Regional Boards.

Independent workmen, who can show that their resources do not exceed the maximum amount of 2,400 francs, will be allowed, on application, to enjoy the benefits of the law, on conditions to be established by Royal Decree.

(b) Disablement insurance will be regulated on the same principles as sickness insurance. It is the Federations that will organize this second branch of insurance, uniting in one association a certain number of mutual societies of the first degree in one region. Insurance will be compulsory

for the same classes of workmen; we again find the principle of contribution by the workman, the head of the business, and the State, while we still consider as the normal régime the associations freely selected and managed by the insured alone on their own responsibility.

The allowance will be 1 franc a day at least for the whole time of sickness or premature disablement. At the age of 65 years, however, disablement allowance will cease, to make way for the old age pension.

The workman's compulsory contribution will be 6 francs a year; of the State 4 francs; that of the masters will be 3 francs, but as the disablement charge will be relatively light at the beginning of the work of the society and only increase gradually, and in order not to impose heavy burdens on industry, payment of the masters' contribution will be deferred until the day he ceases to contribute to the old age insurance we shall explain below.

(c) Old age insurance will be organized, as to-day by the mutual societies serving as intermediaries between the members and the General Pension Society. The compulsory contribution will be 6 frs. per year. This is in fact enough for the creation of a pension of 1 franc per day if payments are commenced at the age of 15. In this case, payments of 6 francs between the ages of 15 and 65 years by a workman, increased by the premiums and subventions now paid by the State, ensure the pension of 1 franc without the masters' contribution.

In the usual course, therefore, no demand will be made of the masters for the insurance of his workmen against old age.

But for a transition period, still fairly long, the managers of businesses will be asked to contribute specially for all their workmen born before 1871, that is say up to 1935 inclusive. This contribution is indispensable in order that the workmen who are too old to form pensions for themselves by their own payments may yet enjoy annuities. The contribution will be 6 francs a year per employee. Added to the payment of 6 francs already required of the member by the temporary bill presented to Parliament by M. Moyersoen and the special allowance granted by the State, this contribution by the masters will provide for all these workmen providing pensions for themselves, if not of 1 franc per day, at least of an amount nearly approximating to that.

The institutions of benevolence and charity will be authorized to enter into the Pension Society the 18 francs necessary for obtaining the 65 franc pension for the old, on their satisfying the prescribed conditions.

Provision is also made for special allowances to be entered on the Estimates in favour of the special fund for the mutual federations that have organized a special temporary society for their members born before 1871. These special allowances must be entered each year up to 1935 when the transition period will terminate.

As we see, in the case of old age pensions as well as in that of old age insurance, the bill maintains the existing institutions, contenting itself with developing and completing them, while confirming their work of propaganda in behalf of voluntary thrift, by means of the supervision of Regional Commissions over the contributions when they become compulsory.

These Regional Councils are in fact the bodies charged in each province with the task of supervising the execution of the law and the security given by the voluntary insurance societies.

The members of these societies are elected half by the mutualist men, the other half, by the masters, the doctors and chemists, the Government and the Permanent Commission of the Provincial Council, in equal proportions. Under this system, the interests of all concerned are represented.

(A) The powers of the Regional Councils in respect to the mutual societies are defined in the bill and there is nothing in them to impede the action of the societies.

1st. They shall organise the medical and dispensary service, instead of in place of the societies which will *solicit their assistance* and in lieu of workmen dispensed from contributing.

2nd. They may attach insured workmen who are not members of mutual societies to societies in their department, which accept the charge, treatment and inspection.

3rd. They shall receive the share of the subsidies due to the persons insured for whose expenses they provide.

4th. At the request of those concerned they shall establish courts of arbitration for the settlement of disputes.

5th. They shall give their opinion as to the authorisation of the Mutual Societies and the withdrawal of their legal recognition.

6th. They shall in return receive quarterly assistance cards to which members of the societies will arrange for stamps to be attached to indicate the masters' payments. They will receive the contributions of the masters and of the State (old age pension and reinsurance). They shall distribute to the societies concerned the necessary proportion of the contributions of the State and of the masters.

7th. They shall take legal action against masters who have not conformed to the law in behalf of non-mutualist workmen.

8th. They shall intervene when the societies do not fulfil their engagements, inviting them to settle their disputes, if necessary, by means of arbitration, and seeing to the execution of the sentence of arbitration, and seeing to the execution of the sentence of arbitration, in the case of appeals to Government.

9th. They shall decide in cases of applications for reduction or dissolution.

(B) Independently of their relations with the voluntary mutual societies, the Regional Councils shall serve as institutes of insurance for those persons who cannot or do not wish to register themselves in a Society. Thus add that those averse to registering themselves in a Mutual Society will only be registered after notice that they must conform to the law.

What burdens would the bill impose on the public finances? In making our calculations, we must only consider the compulsorily insured, the voluntarily insured will only gradually come to form an appreciable percentage, dependent on a condition in the power of one of the contractors, the effect of which it is difficult to appreciate. For it is calculated that, in the

earlier years of the application of the law there will not be more than a million and a half of persons benefiting by it; their number may be most two and a half million, when the voluntarily insured are included in the period, still remote, when the people have become habituated to the law, and its normal and complete work has begun.

Taking then $1\frac{1}{2}$ million as the average number of those benefited during the first ten years, the State would assign them 3 francs per head for sickness insurance, say 4 millions and a half, and 4 francs per head for disablement insurance, say 6 millions.

The old age insurance charges in excess of 6 millions granted already in subventions and premiums to 650,500 members of the General Pension Society may be calculated, for 850,000 new numbers at the rate, first of 5 frs. premiums, plus 2 frs. subventions for each of them, and later on, average of 5 francs extra premiums for 250,000 of them by virtue of article 16 of a law of June 5th., 1911, making 4,760,000 francs plus 1,250,000 or about 6 millions.

To these figures must be added 200,000 frs. for the sanatoria, expenses for the establishment of which in permanent buildings are entered on the Supplementary Estimates. 300,000 francs should be reserved for supplementary subsidies, for medical attention in the country and subsidies to the Temporary Old Age Societies of the mutualist associations. The costs of administration will, as up to the present, form a charge against the insurance establishments.

The total expenditure incurred by the State would then be 17 millions during the period of organisation and propaganda. Its further increase might be compensated for by the future decrease and, in time, the extinction of the 65 francs allowances, which may be increased in the period of transition up to the amount of the masters' contribution, but become unnecessary in the future, as the new payments made by the insured increased by premiums from the State will give the franc per day.

This new burden of 17 millions is not a matter to cause alarm: the country now thoroughly prosperous, the annual revenue of which increases regularly without new taxation.

APPENDIX.

Bill for the General Regulation of Social Insurance against Sickness, Disablement and Age, presented to the Chamber of Representatives by M. de Ghellinck d'Elsegem. April 24th., 1912.

CHAPTER I.

General Provisions.

Art. 1. — The insurance of workmen against inability to work, to sickness, disablement and old age, shall be effected, conformably with the provisions of the present law, by means of mutualist associations freely selected and managed by the persons insured.

By persons insured shall be understood workers and employees of either sex, whose wages or emoluments do not exceed 2,400 frs. per year.

Independent workmen who show that their resources do not exceed a certain figure shall be allowed, on application, the benefits of the law, on conditions established by Royal Decree.

Art. 2. — Sickness insurance shall be transacted directly by the primary or local mutual societies.

Art. 3. — Disablement insurance shall be transacted, through the medium of the same societies, by the federations (called reinsurance societies), which they are affiliated for the purpose.

Art. 4. — Old age insurance shall be transacted, through the medium of the mutual societies or their federations, by the General Pension Society under State guarantee, without prejudice to the provisions of the law of the 5th, 1911 on miners' pensions, nor of the advantages reserved in virtue of the temporary provisions of the existing law, to mutualist members affiliated to special temporary societies established for the purpose of completing the allowances to be granted to the workmen.

Art. 5. — A General Council of Thrift Institutions shall be instituted. It shall consist of 15 members by right of office and of elected members.

The members by right of office shall be the members of the Permanent Commission of Mutualist Societies.

The elected members shall be chosen for five years, by means of the system of proportional representation established by the law for the parliamentary elections, by delegates of the recognised mutual societies in the proportion of one delegate per hundred members, or fraction of more than fifty members.

In estimating the number of members giving right to a delegate, account shall be taken, other things being equal, of the respective members registered for sickness, disablement and old age insurance.

Members shall be elected by provinces, in the form and conditions to be established by Royal Decree, in the proportion of one member per 10,000 inhabitants or fraction of 300,000, so that the total number shall not exceed that proportion for the whole country.

Substitutes may be elected at the same time as the effective members and may attend and speak at the meetings of the Council without voting and may even vote in the absence of the members they substitute.

Art. 6. — The General Council shall exercise the powers conferred on it by the present law and the Royal Decrees, which also shall determine its mode of working.

The expenses of the working of the Council shall be charged against the Government.

Art. 7. — In each province, and, as far as possible, in each administrative district, one or more Regional Councils of Thrift Institutions shall be constituted.

Each Council shall be composed of sixteen members elected for six years: eight by the recognised mutual societies with headquarters in the district, under the same conditions as the elected members of the General

Council of Thrift Institutions ; two shall be appointed by the industrial employers in proportion to the number of their insured workmen, resident in the district of the Council, two by the Government, and two by the Permanent Commission of the Provincial Council.

Substitutes may be elected at the same time as the effective members and may be present and speak but not vote at meetings of the Council, and even vote in the absence of the members they substitute.

Art. 8. — Each Council shall act as an insurance institute for all wage-earners resident within its district, who are not members of an authorized society. A Royal Decree shall establish the method of working of the Councils which may also be entrusted by Government with other missions with regard to social health and thrift. The Council may arrange with the mutual societies within its district for the organisation of the medical, dispensary and sanatorium services.

Art. 9. — The expenditure of the Councils shall be covered :

1st. As regards the service of insurance of workmen who are not mutualist members, by amounts drawn from the contributions of the workmen, the masters and the public authorities towards this service ;

2nd. As regards the medical and dispensary service of the members of mutual societies that have had recourse for the purpose to the Regional Council, by the masters' contributions ;

3rd. As regards their other functions, half by the State and half by the province.

The Regional Councils, in their character of insurance institutes, shall form a separate legal body and enjoy all the rights of the recognised mutualist societies. They shall grant their members the same advantages, eventually reduced, always in proportion to their resources.

They may notably receive subsidies from the public authorities and from benevolent administrations.

Art. 10. — The Regional Councils may attach their insured members to mutual societies in their department, taking account of the preferences both of the insured person and of the various associations.

Art. 11. — The provinces, the communes and benevolent establishments shall communicate to the Regional Councils, the General Council of Thrift and the Government the rules guiding them in assigning the subsidies they grant for the insurance service.

These rules may not include provisions the effect of which would be to interfere with the results of the present law and the decisions taken for its execution, notably by making the grant of these subsidies subject to conditions restrictive of the liberty of political or religious opinion of the members or limiting the age of admission of members.

The subsidies cannot be made in proportion to the expenditure : they must either be fixed amounts, or in proportion to the compulsory or voluntary contributions of the persons insured.

In the distribution of these subsidies the mutual societies cannot receive less favourable treatment than the Regional Councils for Thrift Institutions.

Sanatoria.

Art. 12. — A credit of five million francs shall be entered on the Supplementary Estimates of Expenditure for the year 1912 and shall be placed at the disposal of the Government as a contribution to the foundation of sanatoria for the insured affected by contagious diseases and especially by tuberculosis.

An annual allowance shall be entered on the ordinary Estimates of Expenditure of the Department of Industry and Labour for the State contribution towards meeting the expenses of the treatment of the insured in the sanatoria.

The sickness or disablement allowances provided in the present law may be stopped in the case of the sick who refuse without good reason to let themselves be treated in the Sanatoria.

Investment of Funds.

Art. 13. — The mutual societies and federations may, in addition to the provisions of the law of June 23rd., 1894, invest their capital or reserves :

1st. In fully paid up shares of the workmens' dwelling houses societies approved by the General Savings Bank under State guarantee ;

2nd. In bonds of Belgian Societies that for five consecutive years at least have met all their engagements out of their ordinary funds ;

3rd. In first mortgages on all real estate, up to twenty times the revenue in the cadastre serving as basis for the land tax ;

4th. In hospitals, sanatoria, alms-houses and other buildings necessary for the social aim. Yet the amount of these latter investments may not exceed a fourth part of the assets, save for exceptions allowed by the General Council of Thrift Institutions.

CHAPTER II.

Sickness Insurance.

Art. 14. — Authorization for the sickness insurance service contemplated in this law shall be granted to the mutualist societies recognised by the Government and fulfilling the following conditions in accordance with their rules :

1st. Assuring their members of medical service and medicines or providing that these members enjoy these benefits in some other way.

2nd. Assuring their members compensation of one franc per day of sickness, beginning with the fourth day at the earliest and the tenth at the latest, for three months, save for the exceptions provided for in the present law, and further ensuring women in their confinements an allowance of 30 francs ;

3rd. Providing for the inspection of the sick by administrators or visitors freely elected for eight years at most, by ballot at the general meeting.

from among the full members, in such a manner that the inspectors may be perfectly independent of the sick of whose rights to the benefits of this insurance they have to judge ;

4th. Depositing, in the manner established by the General Council of Thrift Institutions, an amount of three francs per full member or securities accepted by the Council up to the same amount in guarantee of fulfilment of their engagements, save for the temporary exemptions that may be granted by the Government, after consultation with the General Council and the Regional Council of Thrift Institutions, to societies offering other special real estate security ;

5th Being affiliated to a recognised disablement insurance federation ;

6th. Lending its assistance to the Regional Council of Thrift Institutions in attaching to it or undertaking the supervision of the insured resident in the district of the society ;

7th. Not expelling any full member after probation of six months at most, on the ground of his having ceased to fulfil the religious, political, professional or sanitary conditions required for his admission ;

8th. Settling disputes with regard to insurance by a court of arbitration formed, either by the Regional Council of Thrift Institutions, on in conformity with the rules of the Federal Society to which the society is affiliated or by three arbitrators chosen, namely one by each of the two parties in the dispute and the third by the two first, or, in default of their agreement by the local magistrate from among the managers of mutual societies foreign to the dispute.

Further, they must in no way have derogated from the law of June 23rd., 1894, on mutual aid societies.

Art. 15. — Approbation shall be granted by the Government, after consultation with the Regional Councils and the General Council of Thrift Institutions. It can only be withdrawn in case of infringement of the above conditions, and with the unanimous consent of the Regional Council of the district of the society, or of the General Council.

Art. 16. — The authorized societies shall forward, at latest the first Sunday of each quarter, to each of their members, a card which shall be transmitted to them through the Federation to which they are affiliated. The Federations and societies shall assume responsibility for the insurance payments for the three months for the members to whom the cards are forwarded. On application, members may obtain half yearly or yearly cards. Each member shall keep a counterfoil, which shall serve to substantiate his claim upon the society.

When this card is presented, with the compulsory workmen's paymaster duly entered on it, the head of the business under whom the insured person works can no longer make any stoppage from his wages for his insurance. He shall attach the stamps for the masters' compulsory payments.

The cards, when the term for which they are made out is expired, shall be forwarded by the approved mutual society in behalf of its members to the Regional Council of Thrift Institutions where the person insured resides.

If this card is not presented, the head of the business is bound to op from the wages, within the term and under the conditions to be tablished by Royal Decree, the compulsory contributions of the work- en who are not members of mutualist societies, and forward them to the egional Council of Thrift Institutions of the place of residence of the work- an, together with his own contribution.

In case of the head of the business not fulfilling his obligations, he all be found to pay himself to the insuring institute twice the amount the contributions due and not paid either by himself or by his workmen. he local magistrate shall give order to this effect, free of charge, on the quisition of the Regional Council or the mutual society or federation ncerned, according to the forms established by Royal Decree.

Art. 17. — When an approved mutualist association does not fulfil bligations towards a member, the latter shall apply to the Regional cil, which shall arrange for the regular arbitration and, eventually, the payment of the compensation to the claimant out of the security n by the society, subject to appeal to the Government in the forms and er the conditions established by Royal Decree.

Art. 18. — The compulsory workmen's contribution for sickness in- nce shall be six francs a year at least.

It may be reduced, on application, to three francs; 1st., for women ; ., for workmen of less than 20 years or born before January 1st., 1856, 3rd., for all other workmen who can show that they do not earn wages ore than 15 francs per week.

In such cases, the minimum daily compensation shall be reduced to entimes per day.

The following shall be at their request, dispensed from payment of contributions.

(1) Workmen aged under 15 years or over 65 years ;

(2) Domestic servants lodging and boarding with the head of the iness ;

(3) Workmen pensioned in virtue of the law of June 5th., 1911 miners' pensions ;

(4) Workmen who, while aged over 20 years, can show that they not earn wages of above 12 francs per week.

Those who have been dispensed shall only have claim to medical service medicines, and treatment in the sanatoria within the limits of the urses of the Regional Councils.

Applications for reduction or dispensation shall be addressed, through medium and with the approval of the mutual society of which the work- a is a member, or, if he is not a member of a mutual society, of the mutual administration, to the Regional Council of Thrift Institutions.

Art. 19. — The compulsory contribution of the heads of businesses ards sickness insurance is three francs a year per workman, including se dispensed from payment of all contributions, and without distinction ge, sex or wages.

This contribution shall be entrusted to the Regional Council of Thrift Institutions of the place of residence of each workman.

It shall be employed conformably with the rules for insurance in the Council for workmen who are not members of authorized mutual societies.

In the case of mutualist workmen, the masters' contribution shall be used in the first place for the medical, dispensary and sanatorium services undertaken by the Regional Council in agreement with the mutual societies of its department, or in their place; it shall be further assigned to the mutual societies to which the workmen in question belong. In order to have a claim to participate, the mutualist societies shall supply the Regional Council with the accounts and supporting papers it shall judge necessary.

Art. 20. — The State subvention in behalf of sickness insurance shall be three francs a year per insured person, including those dispensed.

It shall be entrusted to the Regional Councils of the Thrift Institutions and employed by them in the same manner as the masters' contribution.

A complementary subsidy of from one to three francs may be granted according to the rules to be established by Royal Decree, for the medical service of the insured residing at a great distance from the residence of doctor.

Art. 21. — At the request of the authorized societies, the federation in which they are united may be replaced in its relations with them by the Regional Council, as far as concerns the medical, dispensary and sanatorium service. A Royal Decree shall establish the conditions necessary in order that the federations may discharge this office and receive the masters' contributions and the subsidies from the authorities.

CHAPTER III.

Disablement Insurance.

Art. 22. — Authorization for the transaction of Disablement Insurance as contemplated in the present law shall be given to the federal societies recognised by the Government, fulfilling according to provision in their rules the conditions required in nos. 1, 3, 4, 6 and 7 of article 14, Chapter II, and, in addition, ensuring the sick members of the federated societies an allowance of at least one franc per day from date of the cessation of the allowance granted by these societies, up to their recovery, or to the age of 65 years in case of permanent disablement; regulating disputes as to insurance by an arbitration court constituted either by the General Council of Thrift Institutions, or, conformably with the rules of the Federal Society, in such a way that the third arbitrator is not a member of the administrative commission concerned in the dispute.

Authorization shall be granted or withdrawn as in the case of the primary societies.

Art. 23. — The workmen's compulsory insurance contribution shall be six francs a year.

It may be reduced, on their application, for the same classes as in the case of sickness insurance.

In these cases, the minimum daily allowance may also be changed to centimes the day. Dispensation shall be granted, likewise, from all contributions, to the same classes of workmen as may be dispensed from payment of sickness insurance contributions and with the same consequences. Applications for reduction or dispensation shall be treated in the same way in the case of sickness insurance.

Art. 24. — The compulsory contribution of the heads of businesses for disablement insurance shall be three francs for the same period as in the case of sickness insurance.

Yet it can only be exacted when the charges imposed on the heads of businesses in view of the temporary measures hereafter established for old age insurance allow of the amount of the disablement contribution being subtracted from the masters' compulsory temporary payments towards workmen's pensions.

A Royal Decree, in conformity with the opinion of the Superior Council of Thrift Institutions, shall determine the conditions of this transfer.

The rules laid down for the payment and employment of the masters' sickness insurance contribution shall apply in the case of disablement insurance, except that the federal societies shall take the place of the primary mutual societies.

Articles 16 and 17 shall likewise apply to disablement insurance.

Art. 25. — The State subvention for disablement insurance shall be six francs a year per person insured including those dispensed.

It shall be forwarded to the Regional Societies or to the Federal Societies, under conditions to be established by Royal Decree.

CHAPTER IV.

Old Age Insurance.

Art. 26. — The recognized mutualist associations serving as intermediaries for the affiliation of their members to the General Pension Society under State guarantee shall give proof of same on the card which must be presented quarterly by each member to the head of the business.

In case the cards are not presented or in the absence of such proof, the head of the business shall be bound to deduct and to forward the workmen's compulsory payments towards their pensions in the same way and with the same degree of responsibility as in the case of sickness and disablement insurance.

Art. 27. — The workmen's compulsory contribution to their pensions shall be six francs a year; it shall be forwarded to the General Society by the offices and agencies entrusted with the service. It may be reduced, at their request, to three francs:

1st. For women;

2nd. For workmen under 15 years of age;

(commune, district, canton) the Confederation will grant the canton a subvention of the same amount as it concedes to the local mutual societies. In 1910 the cantonal subventions for livestock insurance amounted to 840,699 francs and the Confederation granted an equal amount in subventions; in the same year the cantonal expenditure for hail insurance was 398,236 frs. and the federal subventions that year to livestock insurance institutions were 17; the cantons contributing to the development of hail insurance by undertaking the costs in connection with the policies or paying from 15 to 40 % of the premiums were 21. Therefore of 25 cantons only Uri, Glaris, Grisons and Ticino did not grant subventions to those insured against hail.

Finally, the federal law on sickness and accident insurance of June 23rd., 1911, approved by popular referendum on February 4th., 1912(1), also concerns agriculture in as far as it establishes that the Confederation shall grant subventions also to rural mutual societies for aid in case of sickness and to the National Accident Insurance Institute at Lucerne in which the farmers may insure. And in the mountain regions where means of communication are difficult and the population is sparse, the mutual aid societies will have a right to an annual or supplementary subsidy of 7 frs. at most per person insured.

The general lines of the legislation in force in Switzerland with regard to insurance being thus established, we shall find it easier to deal with two manifestations of the intervention of the authorities in this field; we mean the Message of the Federal Council to the Assembly in relation to the foundation of a federal social insurance office and the report of the Council of State to the Grand Council of Vaud on the subsidies to be granted to the hail insurance societies.

§ I. MESSAGE OF THE FEDERAL COUNCIL ON THE FOUNDATION OF A FEDERAL SOCIAL INSURANCE OFFICE.

The Message of the Federal Council of October 29th., 1912 in relation to the foundation of a federal social insurance office is divided into eight sections; in the first, which serves as an introduction, mention is made of the chief points of the Federal Law of February 4th., 1912 on Sickness and Accident Insurance; the second sets forth the duties of the Federal Council in reference to the execution of that part of the law dealing with accident insurance; the third, the duties of the same in relation to sickness insurance; in the fourth, examination is made of the special relations between the sickness insurance societies and the National Accident Insurance Institute; in the fifth, the question is raised whether any existing division of the federal administration can be entrusted with the carrying out of the law; in the sixth, the advisability of founding a federal social insurance office is considered; the seventh deals with the power such an office should possess.

(1) See *Bulletin of Economic and Social Intelligence*, March-April, 1912.

he eighth establishes the general lines of its organization. The Message ends with a draft for a federal bill for the foundation of this office. We shall here briefly notice the most important points in this message: a) With regard to accident insurance, the Federal Council must by exercise supervision over the National Swiss Insurance Institute at me; the Federal Council must nominate the directors, from among proposed by the Board of Management of the Institute, and must in the fundamental regulations, the annual reports and balance

As the Confederation reimburses half the working expenses, pays a of the premiums for non-professional accident insurance, and contrib- an annual subsidy equal to an eighth of the premiums to the volunt- insurance branch (let us remember that farmers are included among oluntarily insured), even from a fiscal point of view the annual accounts ; to be audited and the various items of the expenditure separately ined.

Further, according to law, the Federal Council has to decide on special ers; as, for example, whether foreigners should be allowed the full its assured, taking into account the advantages offered to Swiss citi- by the legislation of the country from which these foreigners come, generally also on disputes between the insured and the Institute. Another important duty of the Federal Council will be to consider, hen to support in Parliament, Federal Bills prepared by the Nation- stitute in relation to voluntary accident insurance and voluntary ity insurance.

The Message declares that there can be no difficulty in leaving to the ng offices of the Federal Department of Industry the duties in connec- with appeal against the orders of the National Institute in matters cted with the prevention of accidents, the organization of competi- for inspectorships and the decision to be taken in questions as to er a business belongs or not to the group of businesses contemplated ie law. But other arrangements must be made for the decision of ions concerning the chief supervision the Federal Council has to exer- ver the Institute, which can only be settled by a special technical

b) In regard to sickness insurance we know that the law limits it-) sanctioning the rights of the mutual aid societies which satisfy certain te conditions to obtain a subvention from the Government. here are at present in Switzerland about 2,000 sickness insurance so- and, as most of them will ask for recognition with the object of ob- g the federal subvention, there is no doubt the administration will much difficulty in supervising the careful application of the law. To e the federal subvention, the mutual aid societies must, as we know, t their rules for the approval of the Federal Council, bring them into mity with the provisions of the law and so, for example, transact nce on mutual lines, allow the members to pass freely from one y to another, guarantee them the minimum benefits, ensure them the

free choice of doctors and apothecaries, watch that the member does not make a profit in money out of his insurance, etc.

Further, the Federal Council may, by right or at the request of the concerned, impose fines on any societies that infringe any of the principal provisions of the law and in some cases even withdraw its recognition. The law confers on the Federal Council a kind of jurisdiction over all rights corresponding to the obligations imposed on the Societies in consideration of the Federal subvention. So also, all the provisions adopted by the cantons with regard to compulsory insurance are subject to the approval of the Federal Council.

Finally, the message mentions that, in addition to the usual subsidies granted to the sickness societies (fixed according to the age and sex of the insured, the benefits assured and the geographical situation of the societies and varying between 3.50 frs. and 5.50 frs. per individual insured), the law also contemplates the undertaking by the Confederation of part of the costs of treatment of the sick or of women in their accouchements in mountain regions where communication is difficult and the population sparse, without any sickness society being necessary in such regions. The law establishes the principle, but it is for the authorities entrusted with its execution to develop it.

The message adds that this legislative provision must be considered as opportune and that it will have good effects. But its economic importance depends absolutely upon the manner of carrying out the law, which requires a practical spirit and a great knowledge of the special conditions and particular requirements of mountain populations.

(c) The special relations between the sickness societies and the National Institute are regulated by articles 27 and 54-59 of the law. Sickness societies are obliged to lend their assistance in cases of accident, in the sense that they must, at the request of the National Institute, entrust an agent of the Institute in their district with the declaration and investigation of disasters, the collection of premiums, and the work in connection with the benefits assured. The National Institute may, further, transfer to the sickness society, as far as concerns its district, for the first six weeks, the insurance of medical treatment in case of sickness due to accident, as well as the compensation for unemployment.

The General Council, in this case, acts as intermediary between the National Institute and the sickness societies, in so far as, after consulting the latter, it has to fix the commissions due to the societies, in consideration of the agency work and for the transfer of insurance for the first six weeks.

The National Institute derives many advantages from being able to avail itself of the sickness societies as agents and insurance offices, namely, economy in its management and greater facility of control. But as the sickness societies show much hesitation in undertaking the work, the task of the Federal Council in reconciling the various interests of the National Institute and the Mutual Aid Societies is without doubt very difficult.

(d) With regard to the question whether any existing division of labour between the Federal Administration could undertake the execution of the law, the message

sets forth the reasons, for an answer in the negative. The Department of Industry, has already too many other duties, for more to be added to it. Nor again is the Federal Office for Supervision of Private Insurance Businesses suited for the purpose. In fact the supervision to be exercised over the National Insurance Institute of Lucerne is much more extensive, and of a completely different character from that the Federal Office has to exercise over the private insurance businesses.

The Federal Administration will have in this case to occupy itself actively with the carrying out of the law, in a word, not only to control, but actively to guide the sickness societies and bring them into agreement with each other on certain points (for example, on that of freedom of members to pass from one society to another), decide controversies that arise between them, and induce them gradually to organize according to the principles of insurance technique.

Even the solution consisting in entrusting the chief supervision of National Insurance Institute and the carrying out of the provisions of sickness insurance to an Office of Sickness Societies dependent on the Department of Industry is rejected by the Message. As the law has at one and the same time regulated the two kinds of insurance, while uniting them together, so a single office must direct them both, the rather, as in certain matters, as, for example, the regulation of relations with the doctors, apothecaries and hospitals, the interests of the sickness societies and the National Institute are identical.

(e) There is, therefore, no alternative but to found a special office for the carrying out of the law on sickness and accident insurance, for which the message proposes the name of "Federal Social Insurance Office", and indicate that it will specially have to deal with insurance societies organized by the State in the general interest. This office must not only see to the carrying out of the law, that is, supervise the National Institute, enter into relations with the sickness societies, arrange the procedure of recognizing the provisions for freedom of members to pass from one society to another, for the benefits of insurance, the relations with doctors and apothecaries, the grant of subsidies, etc.; but it must also give proof of enterprising spirit in completing and developing the legislation in this thus, for example, it will be in a position to compile statistics for the sickness societies in relation to the number and duration of cases of sickness and their classification; likewise, it must assist the federal authorities in matters relating to the foundation of a pension society for federal employees. Finally, it must initiate studies for the organization of disablement and age insurance.

f) In the 7th. and 8th. Sections of the Message, as we have said, the limits of the powers of the Office and the general lines of its organization are set forth. Here it will be enough to say that the Federal social Insurance Office is founded as a special division of the Federal Department of Commerce, Industry and Agriculture. The first article of the bill establishes that, as the execution of the federal law on sickness and accident insurance,

the Federal Council may entrust this office with other duties in the sphere of social insurance.

In the sittings of the 11th. and 12th. December, 1912, the Council of the States after hearing the report of Herr Usteri of Zurich and the speeches of Federal Councillor Schultess and Messrs. Scherrer and Winiger, proceeded without serious opposition to the discussion of the articles of the bill, which was finally unanimously approved. On the 19th. December, it was approved in the *National Council* by 97 votes against 12.

§ 2. THE REPORT OF THE COUNCIL OF STATE OF VAUD ON HAIL INSURANCE

The report of the Council of State of Vaud of October 22nd., 1912, is a reply to the express invitation of the Grand Council of Vaud in a resolution of May 8th., 1912, in which the Council of State was urged to study as speedily as possible the means of contenting the viticulturists of the Canton by the institution of compulsory mutual hail insurance, especially by raising the subsidy granted to the voluntarily insured, perhaps even to 50 % of the amount of the premiums.

After a few remarks on the origin of hail insurance and the various phases of its development in Switzerland (the first Swiss society for branch of insurance was founded in 1825) the report alludes to the organization of the two insurance societies now working in the country: the *Society* of Zurich and the *Paragrêle* of Neuchâtel. As we know the *Society* extends its work to almost all the cantons and insures the greater part of the agricultural produce; the *Paragrêle*, on the contrary, is limited to the insurance of vineyards in the canton of Neuchâtel.

In 1892 the canton of Vaud commenced subsidising hail insurance. The Grand Council voted a special credit to reimburse insured landowners within the territory of the canton 20 % of the premiums they pay to the *Society*, besides the general expenses of policies (dues, copying etc). As we see from the following table, in 1892, as a result of this encouragement on the part of the Government, the amounts insured for vines and grain, were very appreciably higher than in the previous year.

Since 1893 in virtue of the Federal Law for the improvement of agriculture, the Confederation has been repaying the canton half the expense it has to bear for hail insurance; however, in 1906 with the desire to further encouragement to this class of insurance, the Grand Council increased its subvention from 20 % to 30 % of the amount of the premiums.

The claims paid to the farmers of the Canton of Vaud between 1906 and 1911 amounted to 548,871.60 frs. and, as the premiums paid during the same period reached the figure of 1,035,850.03 frs., the proportion of claims to the premiums was 52.9 %. If we consider that the general average for the whole of Switzerland is 78.5 %, we see that hail insurance in the Canton of Vaud is sufficiently developed. And from the report we find that, in respect to the number of persons insured, the Canton of Vaud holds the eighth place among the Swiss Cantons, and, in respect to the amount insured, the fourth place.

Amounts Insured and Premiums Paid by the Canton of Vaud.

CANTONS	Vines		Cereals		Miscellaneous		Total		Federal and Cantonal Subsidies
	Amount Assured	Premium	Amount Assured	Premium	Amount Assured	Premium	Amount Assured	Premium	
380	139,450	—	17,220	—	4,340	—	151,010	4,771	—
381	106,550	—	53,670	—	22,696	—	182,916	5,061	—
382	107,570	—	125,620	—	9,843	—	243,033	6,206	—
383	64,430	—	225,930	—	9,884	—	300,244	5,503	—
384	30,790	—	185,290	—	3,687	—	239,767	4,434	—
385	45,010	—	171,570	—	5,190	—	221,770	3,888	—
386	15,020	805	105,520	1,100	2,400	65	122,940	1,970	—
387	20,430	898	91,160	960	2,330	68	113,920	1,866	—
388	44,550	1,966	70,420	740	2,550	85	117,520	2,789	—
389	24,230	1,094	100,320	1,050	5,160	128	129,710	2,272	—
390	39,380	1,715	98,710	1,040	7,160	206	145,250	2,961	—
391	52,620	2,308	98,740	1,060	6,240	167	157,600	3,535	—
392	166,420	7,084	168,660	1,790	6,650	182	341,730	9,056	—
393	538,970	22,198	216,540	2,260	9,310	207	764,820	24,665	5,127
394	713,370	29,253	333,860	3,418	18,320	504	1,065,550	33,175	7,383
395	571,250	23,145	321,230	3,264	36,190	1,237	928,670	27,646	6,830
396	891,240	37,137	383,210	3,905	64,610	2,672	1,339,060	43,714	10,477
397	881,470	39,841	482,020	4,790	79,670	3,717	1,443,160	48,308	11,933
398	755,490	37,747	724,930	7,512	44,880	3,462	1,525,300	48,721	12,237
399	702,310	34,858	703,050	7,265	29,470	1,977	1,434,830	44,100	11,242
400	696,800	34,739	723,540	7,532	27,800	1,812	1,448,140	44,083	11,197
401	603,990	31,068	758,930	7,330	31,260	2,044	1,394,180	40,442	10,311
402	652,190	31,730	809,220	7,821	31,950	1,998	1,493,360	41,509	10,766
403	671,430	32,711	894,280	8,635	34,410	1,819	1,600,120	43,165	11,151
404	740,750	35,705	898,300	8,707	44,340	2,139	1,683,390	46,551	11,898
405	677,860	32,073	1,002,680	9,666	35,340	1,550	1,715,880	43,289	11,391
406	775,330	34,925	1,286,210	12,453	56,890	1,642	2,118,430	49,020	17,806
407	790,900	35,726	1,530,000	14,689	40,880	1,321	2,361,780	51,736	19,047
408	1,000,320	47,717	2,666,380	25,525	91,240	2,118	3,757,940	75,460	29,997
409	796,110	37,510	2,890,130	27,779	74,270	1,736	3,760,510	67,025	27,598
410	1,179,920	54,426	3,465,370	33,785	97,880	1,950	4,743,170	90,160	35,717
411	1,236,130	77,489	3,929,760	37,058	126,530	2,153	5,792,440	126,701	44,688
412	—	—	—	—	—	—	6,773,780	233,757	56,914

While in 1902 the amount assured against hail was estimated at 2.25 % of the agricultural produce of the canton, on the other hand, in 1912, it was about 10 % (since the total amount of the agricultural produce insured was about 70 million francs). Hence the Report concludes that both by reason of the Government subventions and the activity displayed by the *Swiss Society*, voluntary insurance is spreading more and more among the farmers. Yet it examines at length the question of the advisability or otherwise of instituting a system of compulsory insurance, profiting by the experience of this system in Bulgaria. The Manager of the *Swiss Society* has also considered the question, availing himself of the statistics of agricultural produce that might have been insured in the four years 1901-1904 and considering the losses due to hail in the same period.

The conclusions he came to are reproduced in the report and are absolutely opposed to the introduction of compulsory insurance. If the *Swiss Society* has not yet suffered too considerable losses in the Canton of Vaud, it is due more than all to the small number of viticulturists of the canton who insure and to a favourable distribution of risks. On the other hand if there were compulsory insurance, the vineyards of the canton would form a mass of exceptional risks, already in itself a danger, owing to the liability of vineyards to damage by hail. A hailstorm, intrinsically modern in extent, in this canton might be a real catastrophe for an insurance society. The *Swiss Society* could not therefore undertake the risks of compulsory insurance of the vineyards of the canton of Vaud.

Thus rejecting the idea of instituting compulsory insurance, the report considered what other more suitable means there might be for encouraging the increase of hail insurance among the farmers of the canton.

At present the subventions from the Confederation and from the canton of Vaud amount to 30 % of the premiums, plus the general expense of the contract, amounting to 2.90 frs. per policy (1 franc for cantonal stamp duty, 1.50 for the contract, and 40 c. for carriage and registration).

As we have had occasion to observe, the number of persons insured in the canton is constantly increasing and this is certainly largely due to the beneficent intervention of the State. It is interesting to see how the insured capital is divided among the 3,840 policies underwritten; the following figures clearly show the proportion in which the large and small landowners insure. They refer to 1912:

Out of about 7 million frs. of capital insured :

1,000,000 frs	represented	34	policies	for more than 10,000 frs.
665,000	"	"	95	" (of which 70 were vineyard policies)
				of from 5,000 to 10,000 frs. each
3,335,000	"	"	3,711	" of from 100 frs. to 5,000 frs.

The Council of State, considering that in 1913 the capital assured in the canton would probably amount to 10,000,000 frs, and taking into consideration the fact that in 1912 the expenditure for insurance amounted

14 frs. while the amount estimated in advance had been 45,000, propose to increase the cantonal subsidy by 10 % of the amount of the premiums. However, as it is considered that the State must above all encourage the insurance of small farmers, it is proposed to limit this increase to insurance amounts not above 800 frs. The policies for higher amounts will continue to benefit by the 30 % subvention only. The proposed increase which will form occasion the additional expenditure of 30,000 frs for the canton, 50 % of which will form a charge against the Confederation. The drafter of the report concludes by expressing his opinion that this additional encouragement given to hail insurance by the State will happily mark the beginning of a new stage in the interesting, but still at this moment uncertain, study of compulsory insurance for all agricultural produce.

Part III: Credit

INTERNATIONAL STATISTICS OF SAVINGS BANKS.

A statistical review of the moneys collected in the Savings Banks of the principal countries of the world is of very great interest for the observer of the financial markets open to investments in behalf of agriculture.

Although some legislators and economists oppose the tendency of Savings Banks to seek a safe and remunerative investment in loans on rural mortgage, declaring that such operations do not correspond with the nature of the deposits received by the Banks, which may, in time of war, as in case of a war, be withdrawn simultaneously by the depositors, the investment of deposits in mortgages is continually increasing.

Then, in many countries, the Savings Banks have acquired the importance of real institutes for land credit operations of long maturity, extinguishable in annual instalments and have thus had an influence on the mortgaging of rural landed property.

It would be useful to show in a single table of international statistics the precise amount of capital deposited in the Savings Banks and that invested in each class of investments made by them with this available capital, specifying the amount invested in rural and in urban loans, payable with or without sinking fund.

Such a table would be very useful in indicating at once how much has been invested in rural property and how much may still be invested in it, the advisability of changing the mode of granting loans on real estate in several countries, choosing by preference those forms of credit that guarantee an investment that will promote the progress of rural production.

In the statistical notes we now reproduce from the Prussian "Statistical Correspondence" (1), we are only able to give the reader information as to the number of savings bank books and the amounts deposited at the end of each year, and during the whole period 1908-1910. With these figures we do not completely attain the object of our enquiries into the matter of land credit and they cannot even serve as indications of the economic situation of

(1) *Statistisches Korrespondenz*, published by the Royal Prussian National Statistical Office, Year XXXVIII, no. 52, Oct. 19th., 1912.

the State to which they refer. In fact, without first proceeding to a careful criticism of the data, assigning to each item a special co-efficient which, according to circumstances, increases or diminishes it relatively to the means of these data, a comparative judgment on the saving capacity of the financial resources of each country. The Savings Banks have different functions in the different States, according to the habits, the education and the density of the population ; according to the existence of rival institu-

States	Classes of Savings Banks
1	2
1. Prussia	Total Savings Banks.
2. German Empire	Total Savings Banks. (a) State Savings Banks: 1. Post Offices 2. Other Offices (b) 3. Urban Savings Banks
3. Belgium	Total (a) State Savings Banks 1. Post Offices 2. Other Offices 3. Urban Savings Banks Total (a) Savings Banks, properly so called (b) Other Offices receiving Savings
4. Denmark	Total (a) Savings Banks, properly so called (b) Other Offices receiving Savings Total
(1) Savings Banks, sections of Existing Banks.	

iring confidence as collectors and investors of the savings of
viduals, etc. In one country the Savings Banks only collect the
ngs of the poorest classes of the population, in others they act more
ss as deposit banks in which amounts are deposited also for very
t terms or for convenience of payment, where the system of payment
ugh the banks exists. In some states, savings banks are found in
y small village, elsewhere by reason of their situation, they can only
ive the deposits of persons in the larger centres.

of Savings Bank Books		Amount of Deposits		
at the End of the Year				
	per 100 inhabitants	Total (in millions of marks)	per inhabitant (in marks)	per Savings Bank Book (in marks)
	5	6	7	8
2,692	30.22	9,571.38	244.23	808.21
2,256	31.04	10,332.69	259.40	835.83
0,304	32.08	11,106.79	276.18	860.97
5,329	31.28	14,552.56	229.40	733.30
6,699	32.03	15,672.12	245.02	760.17
4,034	33.14	16,780.57	258.24	779.26
0,541	29.79	708.99	95.99	270.09
4,450	5.75			
6,789	0.23			
1,774	35.77	717.03	97.07	271.42
0,114	30.73	736.12	98.78	271.62
0,998	5.64			
7,061	0.23			
1,173	36.60	744.40	99.89	272.96
3,161	48.75	830.87	312.47	641.02
2,846	5.75	119.06	44.78	778.95
1,007	54.49	949.93	357.25	655.57
1,576	48.66	863.59	317.50	652.47
1,969	5.77	132.41	48.68	843.56
2,545	54.43	996.00	366.18	672.73

States	Classes of Savings Banks
1	2
	Post Office Savings Banks
	Other Savings Banks
	Total
5. United Kingdom	Post Office Savings Banks
	Other Savings Banks
	Total
	Post Office Savings Banks
	Other Savings Banks
	Total
6. France	National Savings Bank (1)
	Other Banks
	Total
	National Savings Bank (1)
	Other Banks
	Total
	Post Office Savings Banks
	Ordinary Banks
	Total
7. Italy	Post Office Savings Banks
	Ordinary Banks
	Total
	Post Office Savings Banks (2)
	Ordinary Banks
	Total

(1) Corresponding to the Post Office Savings Banks. — (2) Provisional Figures. — (3) Number

of Savings Bank Books		Amount of Deposits		
at the End of the Year				
	per 100 inhabitants	Total (in millions of marks)	per inhabitant (in marks)	per Savings Bank Book (in marks)
	5	6	7	8
18,251	24.73	3,277.22	73.57	297.44
38,033	4.01	1,055.01	23.68	590.04
36,284	28.75	4,332.23	97.23	338.29
34,568	25.34	3,357.76	74.60	294.42
34,895	4.01	1,064.51	23.65	589.79
39,463	29.35	4,422.27	98.23	334.78
32,176	26.35	3,445.36	76.73	291.19
37,460	4.07	1,066.26	23.75	583.47
39,636	30.42	4,511.62	100.48	330.29
30,974	13.53	1,234.82	31.46	232.50
38,363	20.25	2,944.06	75.00	370.40
39,337	33.78	4,178.88	106.46	315.17
32,315	14.17	1,275.70	32.50	229.35
36,270	20.68	3,106.73	79.15	382.70
38,585	34.85	4,382.43	111.65	320.39
31,920	14.54	1,205.43	35.17	241.96
34,457	6.25	1,732.30	50.55	808.94
33,377	20.79	2,937.73	85.72	412.41
30,617	14.90	1,268.09	36.69	246.20
34,470	6.34	1,844.17	53.35	841.52
32,087	21.24	3,112.26	90.04	423.89
33,690	15.58	1,418.86	40.60	260.64
31,227	6.47	1,917.69	54.87	848.07
34,917	22.05	3,336.55	95.47	433.04

States	Classes of Savings Banks
1	2
8. Holland	Post Office Savings Banks
	Savings Banks
	Total
	Post Office Savings Banks
	Savings Banks
	Total
9. Norway	Savings Banks
	Post Office Savings Banks
	Other Savings Banks
	Total
10. Austria	Post Office Savings Banks
	Other Savings Banks
	Total
11. Russia	Total Savings Banks
	Post Office Savings Banks
	Other Savings Banks
	Total
12. Sweden	Post Office Savings Banks
	Other Savings Banks
	Total
	Post Office Savings Banks
	Other Savings Banks
	Total

Number of Savings Bank Books		Amount of Deposits		
as the End of the year				
	per 100 inhabitants	Total (in millions of marks)	per inhabitant (in marks)	per Savings Bank Book (in marks)
	5	6	7	8
570	24.06	257.79	44.25	183.91
494	7.06	160.93	27.63	391.10
164	31.13	418.72	71.88	230.93
515	24.97	272.72	46.55	186.46
209	7.39	176.42	30.12	407.24
824	32.36	449.14	76.67	236.91
904	38.59	508.57	216.16	560.10
986	40.39	537.48	226.82	561.64
310	41.86	570.42	238.49	569.67
539	7.45	192.65	6.82	91.45
548	14.14	4,584.81	162.21	1,147.19
687	21.59	4,777.46	169.03	782.80
511	7.58	190.81	6.75	89.02
295	14.56	4,861.96	171.89	1,180.29
906	22.14	5,052.77	178.63	806.78
757	4.10	2,608.32	16.29	397.62
700	4.24	2,771.06	16.92	399.31
900	4.48	3,019.90	18.14	405.41
270	10.32	52.23	9.62	93.21
764	27.51	802.74	147.85	537.40
934	37.83	854.97	157.46	416.24
487	10.14	51.08	9.33	91.95
333	27.82	855.45	156.20	561.56
820	37.96	906.53	165.53	436.08
837	10.09	52.03	9.42	93.56
817	28.26	909.89	164.78	583.14
954	38.35	961.92	174.20	454.24

States	Classes of Savings Banks
1	2
13. Switzerland	Total Savings Banks Post Office Savings Banks Other Savings Banks Total
14. Hungary	Post Office Savings Banks Other Savings Banks Total Post Office Savings Banks Other Savings Banks Total
15. United States	Savings Banks
16. Australia (including New Zealand).	Total Savings Banks

The largest amount of savings is collected in the United States America, namely 17,700,000,000 marks: next comes Germany with 16,800,000 marks: Holland comes last of all with 449,400,000. In the year under consideration the total amount of deposits in the Savings Banks of every country has increased.

The largest increase per inhabitant was in Prussia, 31.95 marks from 1908 to 1910, the least in Russia 1.85 marks. There were large increases in Germany, Australia and Norway, of more than 20 mks. per inhabitant. Even the average amount in the savings banks has risen generally, with the sole exceptions of England (338 mks. in 1908 and 311 mks. in 1910) and the United States (1,870 mks. in 1909 and 1,844 mks. in 1910).

ber of Savings Banks		Amount of Deposits		
at the End of the Year				
al	per 100 inhabitants	Total (in millions of marks)	per inhabitant (in marks)	per Savings Bank Book (in marks)
	5	6	7	8
19,332	52.07	1,246.77	341.82	656.43
34,299	3.27	78.74	3.77	115.06
14,184	5.24	1,666.73	79.76	1,523.26
18,483	8.51	1,745.47	83.53	981.43
17,146	3.44	83.77	3.96	115.21
19,251	5.44	1,792.21	84.82	1,559.46
16,397	8.88	1,875.98	88.78	999.78
15,970	3.72	91.68	4.39	118.14
13,754	5.95	1,991.95	95.37	1,601.57
19,724	9.67	2,083.63	99.76	1,031.64
15,848	9.98	15,374.33	176.33	1,765.98
2,908	9.92	17,096.04	185.47	1,869.87
7,185	10.23	17,692.85	188.64	1,843.55
2,854	32.83	1,217.05	231.90	706.42
7,226	33.74	1,288.12	240.45	712.76
5,692	35.10	1,402.26	256.93	731.98

The habit of saving is found to be most widely diffused in Denmark (52 savings bank books per 100 inhabitants) and Switzerland (52 books per 100 inhabitants). The extreme reverse is found in Russia with 4.5, Hungary 9.7 and the United States with 10.2 books per 100 inhabitants. The characteristic that in these two latter countries we find the highest average amounts per book, 1.844 mks in the United States and 1.766 in Hungary.

Although the data are not in themselves altogether sufficient to show the importance of the deposits in the Savings Banks for possible investment in behalf of rural property, we shall arrange the figures in descending order, giving for each country the amount of deposits per inhabitant.

With these we shall show the figures indicating the average amount of deposits per book.

States	Years	Amount of Deposits	
		per	per
		Inhabitant	Savings Bank
		—	—
		mks.	mks.
1 Denmark	1909	366	672
2 Switzerland	1908	342	656
3 Prussia	1910	276	861
4 Germany	1910	258	779
5 Australia	1910	257	731
6 Norway	1910	338	570
7 United States	1910	189	1,844
8 Austria	1909	179	807
9 Sweden	1910	174	454
10 France	1909	112	320
11 England	1910	100	330
12 Belgium	1909	100	272
13 Hungary	1910	100	1,032
14 Italy	1910	95	433
15 Holland	1909	72	231
16 Russia	1910	18	405

A glance at this table suffices to show that there is no immediate or certain relation, as is generally believed, between the wealth or capital of a nation and the amount of savings per inhabitant. Norway, in this table, occupies a higher position than the United States. England comes in after Denmark, which is at the head of all these nations. An examination into the conditions of these countries shows that the mass of savings concentrated in the saving banks depends, most of all, on the number of branches, on the facility of the means of communication, on the condition even of the cultivation of the people and, finally, on the various and special functions of the savings banks in the national economic life.

DENMARK.

THE MOST RECENT RESULTS OF THE WORK OF THE DANISH LAND CREDIT ASSOCIATIONS.

SOURCES:

RENTS AND BALANCE SHEETS for 1911-12 of 14 Danish Land Credit Associations and 9 Mortgage Associations granting Loans on second mortgage.

N, Danske Fonds og Aktier (*Danish Securities and Shares*) Copenhagen, 1912.

Elementary Communications for the Month of October from our Correspondent at Copenhagen.

Regnskaber (1908-1912) for Kongeriget Danmarks Hypothekbank (*Five Balance Sheets of the Mortgage Bank of the Kingdom of Denmark*). Copenhagen, 1908-1912.

In our number for April 1911, we published a detailed study of the organization of rural land credit in Denmark. This study included (pp. 193-203) statistical tables, showing the work of all the Danish mortgage establishments for the year 1910. We now have materials for similar statistical tables for the two succeeding years. To facilitate consultation, we give the material in two tables, the first of which gives all statistical information relating to the *land credit associations* which only lend on first mortgage; the other includes the *mortgage associations*, founded, on the contrary, for the special purpose of making cheap loans on *second* mortgage. For an explanation of their manner of working and for an understanding of the difference in the organisation of the two classes of these mortgage associations, we refer our reader to the above article (same bulletin No. 186-189). We shall only repeat here that all the associations are based on the co-operative principle of mutual solidarity.

TABLE I. — Situation of the Land Credit Associations (1) in 1912.

	Associations	Number of Mortgages	Original Mortgages	Mortgages Outstanding	Reserve Funds	Last Date	Year of Foundation
1	Den danske Landmandsbanks Hypotekafdeling (Mortgage Division of the Danish Farmers' Bank)	1,553	—	21,636,371	—	31/12/1911	1872
2	Kreditkassen for Husejerne i Kjøbenhavn (Copenhagen Householders' Credit Society)	1,600	—	97,340,436	5,830,115	10/ 3/1912	1797
3	* Kreditforeningen af Grundejere i de danske Østifter (Credit Association of Proprietors in the Dioceses of the Danish Islands)	35,923	489,510,500	443,491,026	14,075,679	31/ 3/1912	1851
4	** Kreditkassen for Landejendomme i Østifterne (2) (Credit Association for Rural Landed Property in the Dioceses of the Islands)	10,654	130,565,400	122,488,400	3,159,505	31/ 3/1912	1866
5	* Kreditforeningen af Grundejere i Fyns Stift (Credit Association of the Landed Proprietors in the Diocese of Fyn)	5,539	40,861,300	37,718,116	1,074,235	31/ 3/1912	1880
6	* Kreditforeningen af Ejere af Mindre Ejendomme paa Landet i Østifterne (Credit Association of the Landed Farmers of the Dioceses of the Islands)	27,580	40,566,080	36,600,220	1,658,421	31/ 3/1912	1880

10	Den vest-og sønderjydske Kreditforening af Lændergjendomsbesiddere (Credit Association of West and South Jutland Landowners)	32,305	382,061,300	361,221,068	14,904,289	31/ 3/1912	1851
11	Kreditforeningen af Købstadgrundejere i Nørrejylland (3) (North Jutland Town Landowners' Credit Association)	15,736	134,693,000	125,555,724	6,996,882	31/12/1911	1860
12	Ny jydsk Købstadkreditforening (New Credit Association of the Towns of Jutland)	30	164,700	37,114	742	29/ 2/1912	1852
13	Kreditforeningen af Ejere af mindre Ejendomme paa Landet i Jylland (Jutland Peasant Farmers' Credit Association)	10,309	111,088,300	104,329,417	5,841,228	31/ 3/1912	1868
14	Kreditforeningen af Grundejere paa Landet i Jylland (Jutland Country Landowners' Credit Association).	74,336	130,157,050	119,678,388	4,603,314	31/ 3/1912	1880
	Total 1912	4,969 ⁽⁴⁾	29,866,000	27,738,670	1,303,554	31/ 3/1912	1893
	1911	223,729	—	1,644,600,935	66,354,059	—	—
	1910	214,274	—	1,568,908,194	61,783,673	—	—
	1910	204,809	—	1,497,707,928	59,582,279	—	—

(1) The associations marked with * grant loans on both urban and rural land; those marked with ** grant loans almost exclusively on rural land.

(2) This is a credit association and not a credit society; cfr. *Bull. of Econ. and Social Inst.* 1911, IV, p. 167.

(3) In liquidation since 1861.

(4) Number of loans. The association grants loans for building in the neighbourhood of stations and other similar places and in towns.

From the above table we see that the total amount of loans granted on first mortgage by the 14 land credit associations amounted at the beginning of 1912 to the enormous sum of 1,645 million crowns or about 2,3 million francs. Hardly the half of this debt burdened rural land, but, several of the above associations, and notably the largest, (the Credit Association of the Proprietors in the Dioceses of the Islands) do not distinguish in their reports and financial statements between urban and rural loans. Therefore, precise information on the rural land debt cannot be given. According to the mode of calculation explained in the 1911 article, which shows that the mortgage loans granted by the associations on rural land amounted in 1910 to 750 million crowns, we arrive at the figure of 850 million crowns, or about 1,200 million francs for the beginning of 1912.

The mortgage associations, again, are divided into two distinct groups: the first granting loans on urban, the second on rural land. The difference is clearly seen in the following table showing separately the results obtained by each group of these associations.

	Associations	Number of Mortgages	Original Mortgages (crowns)	Mortgages Outstanding (crowns)	Reserve Funds (crowns)	Last Date	Year of Foundation
<i>Essentially Urban Mortgage Associations:</i>							
1	Hypotekforeningen for Kjøbenhavn og Omegn (Mortgage Association for Copenhagen and Environs)	1,848	34,542,500	34,244,905	1,032,817	31/3/1912	1895
2	Grundteernes Hypotekforening (Landowners' Mortgage Association)	620	10,574,000	10,343,950	240,424	31/3/1912	1905
3	Hypotekforeningen for Aalborg (Aalborg Mortgage Association)	617	3,282,600	2,710,567	117,791	31/3/1912	1895
4	Hypotekforeningen for Aarhus (Aarhus Mortgage Association)	1,022	7,967,400	6,951,780	215,159	31/3/1912	1895
5	Jydsk Hypotekforening (Jutland Mortgage Association)	3,114	14,611,300	13,567,484	660,000	31/3/1912	1899
6	Østifternes Hypotekforening (Mortgage Association for the Dioceses of the Islands)	3,553	14,027,300	12,828,970	755,917	31/3/1912	1901
	Total	10,774	85,005,100	80,655,756	3,022,108	31/3/1912	
<i>Essentially Rural Mortgage Associations:</i>							
1	Jydsk Land-Hypotekforening (Jutland Rural Mortgage Association)	4,837	8,453,300	8,095,121	481,769	31/3/1912	1906
2	Østifternes Land-Hypotekforening (Rural Mortgage Association of the Dioceses of the Islands)	1,422	5,467,100	5,060,639	253,594	31/3/1912	1906
3	Husmands-Hypotekforeningen (Mortgage Association of Peasant Farmers)	5,085	4,456,200	4,269,769	116,567	31/3/1912	1907
	Total	11,344	18,376,600	17,424,529	851,930	31/3/1912	
	Urban and Rural Mortgage Assoc.: Total 1912	22,118	103,381,700	98,080,279	3,874,038	31/3/1912	
	1911	20,553	95,428,100	90,143,296	3,476,031	31/3/1911	
	1910	19,119	89,471,700	85,358,249	3,387,594	31/3/1910	

It is quite natural that the importance of these associations, founded for the purpose of lending on second mortgage, should be much less than that of the credit associations only lending on first mortgage. Thus, Table II shows that the total amount lent by the mortgage associations was only 103 million crowns or about 145 million francs. This amount is made up of 85 million crowns (120 million francs) on urban landed property and 18 million crowns (25 million francs) on rural. Yet the work of these recently founded associations has a certain interest, since attempts are now being made in several other countries to solve the problem of organizing land credit on second mortgage, while it was already practically solved in Denmark in 1895 for the towns (with the foundation of the first association of the class) and in 1906 for the country.

The total amount of loans granted on *rural* mortgage by the 23 land credit associations is therefore now 870 million crowns. Add to this the total of the loans granted by the savings banks (250 million crowns) and foundations and private capitalists (about 400 million crowns) and we shall see that the mortgage indebtedness of Danish agriculture is now 1,500 million crowns, or more than two thousand million francs.

We shall close this summary with the latest information with regard to the working of the Kingdom of Denmark Mortgage Bank, created by law of April 6th., 1906, in order to raise the price of the bonds of the land credit associations (1).

This Bank, on the security of the capital supplied by the State (200 million crowns), borrowed 20 million in 3 ½ % bonds in 1906, and another 20 million crowns in 4 % bonds in 1908. With this capital, in the following years, it bought bonds of the land credit associations, amounting at the end of the year 1910, to 33,840,200 crowns (48 million francs). We see that this amount is insignificant enough in comparison with the large number of loans and bonds of the land credit associations, and, in fact, the action of the bank has not had up to the present any great influence on the price of the bonds issued by the associations. In the following year, 1911, the bank only bought a few land bonds, as its resources (the two above mentioned loans) were almost exhausted and the international financial position did not allow of its making new loans at low interest.

Now recently, on August 31st., 1912, the bank has obtained a new loan of 15 million francs. We may, therefore, foresee that it will continue its efforts, though in limited degree, to keep up the price of Danish mortgage bonds by new purchases.

(1) See *Bulletin of Econ. and Soc. Int.*, 1911. IV, p. 190.

KINGDOM OF HUNGARY.

OUTLINES OF LAND CREDIT LEGISLATION AND ORGANIZATION IN HUNGARY.

SOURCES:

Communications of the Hungarian Government to the International Institute of Agriculture:

REPORT OF MINISTERIAL COUNCILLOR HAJDU, Sub-Manager of the Royal Central Statistical Office of Land Credit Legislation and Organisation in Hungary.

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§ I. PRINCIPAL LAWS ON LAND CREDIT IN HUNGARY.

The organization of rural land credit in Hungary is of special interest, not only as regarding a country in which agriculture occupies the most important place in the national economy, but also on account of its special economic and legal characteristics, which we shall give in outline in the course of this article.

It is above all in law XXXVI of 1876 we find the fundamental rules regulating the organisation of the land credit establishments. According to the above Report of the Hungarian Government to the International Institute of Agriculture, the object of this law was to give the land credit established by the national land credit establishments an absolute guar-

antee, so that they might be well received on the exchange and quoted at the highest prices.

In conformity with the provisions of this law, land bonds may be issued by : (1st.) societies limited by shares authorized in their rules to transact mortgage business; 2nd, co-operative credit societies founded by owners of real estate : both these classes of societies are obliged, before they can issue land securities, to form a capital of at least 400,000 crowns, a special guarantee of the issue. This capital is undistrainable, and, for greater security, must be invested in bonds quoted on the exchange (land bonds, Government bonds, preference bonds) ; in loans on the security of such bonds up to the amount of $\frac{1}{4}$ ths. of their quoted value on the exchange in discounting at a date of up to six months for personal estate securities and coupons, and up to 3 months for bills of exchange ; in purchase of estate mortgaged to the establishment at a price not exceeding the amount of the mortgage itself.

Land bonds can only be issued for an amount not exceeding two times that of the reserve fund, or half the value of the land mortgaged. No land bond can be issued for less than 40 florins.

The mortgage establishments are obliged to withdraw their mortgages from circulation as the loans granted are paid off.

The real estate mortgaged for the issue of land bonds serves as security for all the bonds issued and may not be liable to claims from third parties. Every mortgage credit society must publish, every six months, in the papers indicated in the rules, or in the Official Journal, the nominal value of its land bonds in circulation ; the amount of mortgages by which its bonds are secured ; the amount of the capital serving as guarantee for the land bonds and detailed indication of the investment of the loan. This information must further be sent to the local court within a week from the date of publication.

The law enforces the fulfilment of these obligations by means of heavy penalties. With the object of encouraging the development of land credit, considerable fiscal exemptions have been granted. The law XXX of 1897, which provides for special loans through the medium of the Hungarian Land Credit Establishment, for works of irrigation and improvement of farms, in fact, grants exemption from stamp duty and taxes not only on bonds issued by this establishment, but also on the land bonds issued by the National Land Credit Institute for Small Landholders, by the Austro-Hungarian Bank, and finally, by all mortgage establishments with a guarantee fund of at least 3,000,000 crowns. All these land bonds are declared, without distinction, suitable investments for the money of the State. Also the funds of Communes, public institutions, and foundations, and moneys deposited with the courts may be invested in these securities.

Other important laws may also be mentioned : and, with them, the last article of Law XXXII, 1897, tending to ensure the security of investments of title (land bonds and securities) issued to obtain money for settlements or works of improvement.

§ 5 of this law says: credit secured on mortgage on land and intended land reclamation (regulation of the course of streams, defence against floods, water supply, draining of marshes or other land, irrigation and other acts indicated in the law) may be granted by means of the issue of the land securities contemplated in the above law, if it does not exceed 78 % of the value of the land as estimated at the date of registration of the mortgage provided that the amount of the loan does not exceed that of the cost of the work of reclamation. If necessary, the money will be lent in instalments, in proportion as the work is actually accomplished.

By article 6, the mortgage loans guaranteed by a capital constituted by division of the land cannot serve as a basis for the issue of land securities, unless the whole amount of the loan, including possible charges by which the land is already burdened, does not exceed two thirds of the estimated value of the real estate mortgage, and if the division of the land has been carried out in accordance with the general provisions of the law, which we shall not give here.

According to § 8 the establishments proposing to issue land bonds contemplated by this law, must, before the issue, constitute the fund which shall serve as special guarantee of these land bonds and indicate this amount in their rules. If the establishment desires to issue land securities in order to obtain capital for the work of home colonisation and land improvement, the fund must not be less than six million crowns. It is regulated by the corresponding provisions, some of which we have already mentioned, of the 1876 law on issues of land securities. This law even forbids the issue of land bonds for amounts superior to twenty times the guarantee fund. Another special law, with the object of encouraging the replanting of vineyards destroyed by phylloxera (law V of 1896) also deserves mention: it grants exemption for a certain number of years from taxation and stamp duty to the national credit establishments disposed to conduct operations in favour of wine farmers, provided they have a paid up capital of at least eight million florins, and bind themselves by contract with the Department of Finance and Agriculture to furnish loans for the improvement of vineyards, as the need occurs, up to the amount of at least 30,000 florins. This law fixes a limit to the interest and commission, which, in case of loans to several individuals, binding themselves collectively, and to agricultural associations, may not exceed 4 $\frac{3}{4}$ %, and in case of loans to individual landowners may not exceed 5 $\frac{1}{4}$ %.

This short account of the most remarkable laws regulating the problem of credit in behalf of landed property reveals the principal characteristics of the course of legislation Hungary is pursuing in providing for the economic requirements of agriculture.

An attempt has been made by this system to attract the capitalists to invest in land and to encourage the constitution of financial societies, but, not in consequence of legislative provisions, but thanks to the appearance of constantly new establishments on the market, would be led to establish favourable conditions for the grant of mortgage loans. The object of the limits established by the law is to guarantee the

good working of the establishments, the solidity of which depends on the confidence they can inspire on the market. And precisely to obtain wide and easy reception for the land bonds among the capitalists, many detailed regulations have been issued to give these securities a solid guarantee and the value of securities of the first rank.

Finally, extensive fiscal exemptions have been granted to special establishments, and generally, to all establishments which, by their importance, the guarantee they offer, or the conditions regulating the grant of their loans, deserve to be encouraged and supported by the State.

It is thus that certain establishments have been founded, which we shall mention in the following section, for objects of public utility or lending money on favourable conditions for the carrying out of works required for Hungarian agriculture. Recently, on the other hand, as we have already seen (1), in conformity with the law XV. of 1911, together with the Hungarian Land Credit Institute, the National Land Credit Institute for Small Landholders and the Central National Co-operative Society, the State has founded the National Confederation of Land Credit Institutes, the object of which is to protect small farmers from the snares of usurious loans and to encourage home colonisation, and has contributed 8 millions towards its initial capital.

§ 2. THE VARIOUS CLASSES OF ESTABLISHMENT PROVIDING LAND CREDIT

After having mentioned the principal laws in force, we shall pass review the various establishments conducting land credit operations behalf of rural landed property.

Omitting those establishments now in liquidation, we may enumerate 26 that conduct land credit operations in Hungary. When we consider their nature, we may say that none of them can be regarded as really and truly State establishments, founded and managed exclusively on the initiative and the financial responsibility of the Public Treasury. The National Confederation of Land Credit Institutes alone has to some extent such a character.

This Federation, as we have just seen, was founded recently, by virtue of Law XV of 1911, with the assistance of the State and certain credit establishments.

We may divide the remaining 25 establishments into three classes: (1st) establishments of public utility; (2nd) mortgage banks limited shares; (3rd.) savings banks.

The first class comprises the establishments the object of which is not to derive from the conduct of their business the greatest possible profit.

(1) See in the *Bulletin* for February, 1912, the article on the "National Confederation of Land Credit Institutes in Hungary".

but which are chiefly anxious to promote the interests of agriculture.
 The establishments are:

(A) Co-operative Establishments:

- (1) Hungarian Land Credit Establishment at Budapest.
- (2) National Land Credit Institute for Small Land-holders at Budapest;
- (3) Land Credit Establishment, at Nagy-Szeben;
- (4) Hungarian Central Co-operative Credit Establishment.

(B) Societies Limited by Shares and Savings Banks:

- (5) General Savings Bank, at Nagy-Szeben;
- (6) General Savings Bank at Brasso.

On the other hand, we include among establishments that aim at making profits, the following Mortgage Banks and Savings Banks, constituted, of them, as societies limited by share:

(C) Mortgage Banks.

- (1) Mortgage Division of the Austro-Hungarian Bank;
- (2) Hungarian Commercial Bank at Budapest;
- (3) Hungarian Agricultural and Improvement Bank (Magyar agrár-
 áraddékbank) at Budapest;
- (4) Discount and Exchange Bank at Budapest;
- (5) Central Mortgage Bank of the Savings Banks (Society Limited
 Shares) at Budapest;
- (6) "Albina" Savings and Credit Establishment at Nagy-Szeben;
- (7) Mortgage Bank of Hungary and Transylvania (Society limited
 Shares) at Koloszar;
- (8) Land Credit Bank of the Savings Banks, at Mediasch.

(D) Savings Banks:

- (1) Premier National Savings Bank Association, at Budapest;
- (2) Central National Savings Bank of Hungary, at Budapest;
- (3) United Urban Savings Bank at Budapest.
- (4) Urban Savings Bank (Society limited by Shares), at Budapest;
- (5) General Hungarian Savings Bank (Society limited by Shares), at
 Budapest.
- (6) Premier Savings Bank of Temesvar, at Temesvar;
- (7) Urban Savings Bank (Society limited by Shares) at Arad;
- (8) Savings Bank of the County of Arad;
- (9) Premier Savings Bank of Debreczen.

We must, finally, add the two following establishments for Croatia-Slavonia.

- (1) National Mortgage Bank of Croatia-Slavonia, at Agram;
- (2) Premier Croatian Savings Bank at Agram.

With regard to the establishments of private character, we must point out, as remarked in the above Report of the Hungarian Government — that the differences previously existing between Savings Banks and other Banks have almost disappeared with time. The Hungarian Savings Banks also do other banking business and absolutely can no longer be distinguished from the other banks. We may, consequently, group the two classes of establishments together in the statistical tables we shall have occasion to give below.

We have yet to note a fact in relation to these credit establishments. They are not alone in placing at the disposal of rural landed property the capital required for agriculture, but, by virtue of the commercial law XXXVII of 1875, permitting mortgage loan operations to all financial establishments satisfying certain general rules imposed by the law itself, there were, in 1909, 5,211 establishments engaged in such business, and 1,677 of these were banks and savings banks (73 % of the total number of Banks and savings banks) and 3,536 were Co-operative Credit Societies (32 % of the total of these).

It would be very interesting to study each of the land credit establishments mentioned above, so as to see their organization and their activity and observe their characters in relation to the conditions (very different in different regions) in the midst of which each of them has been founded and has developed. But the limits of this short article, the object of which is to give a concise idea of the development of agricultural credit in Hungary with the help of the data courteously placed at our disposal by the Hungarian Government, for the moment prevent us from treating this subject; we shall deal with it in a special monograph.

§ 3. STATISTICAL DATA ON THE WORK OF THE LAND CREDIT ESTABLISHMENTS.

It will suffice for us to take cognizance of the complete statistical data relating to the conduct of land credit business in Hungary. They enable us to observe all the efficacy of the legislative provisions adopted for the promotion of the interests of the rural classes. In 1894, 52.3 % of all the mortgage loans granted by the banks, savings-banks and land credit establishments in Hungary were made in land bonds; in 1909, the amount of these had become 70.4 %. The proportion of loans in land bonds is even greater in the case of the establishments at Budapest, where, in 1909 they amounted altogether to 98.4 %.

The importance of the credit establishments for rural landed property in Hungary appears clearly in the following statistical table we reproduce from the Official Report we have already several times referred to.

	Mortgage Loans Granted on Landed Property					Total	Amount of Mortgage Loans granted (Residential, Industrial, Commercial, etc.)	Total Amount of Existing Loans	Proportion of the Mortgage Loans on Landed Property to the Total
	Limited Liability Banks and Savings Banks	Land Credit Establishments	Associations	Austro-Hungarian Bank					

The proportion of loans on landed property, except for slight variations each year, was maintained at about 70 % for the period under consideration. The increase in the operations transacted by the credit establishments was very considerable. The amounts granted on mortgage on landed property were 911.5 million crowns in 1894 and reached the figure of 2,349.7 million in 1909, an increase of 256.8 %. We must above all remark the place taken at the beginning of the period under consideration by the Austro-Hungarian Bank. In a total of 911.5 millions lent, about 174 millions were granted to landed proprietors by the mortgage division of this bank alone. However the mortgages granted by the bank have not increased with the additional economic requirements of Hungarian Agriculture in the last fifteen years, but, except for a few slight and temporary increases, the Bank has continued to invest the same amount of capital in loans on mortgage in Hungary. However, the other credit establishments developed during this period, above all the limited liability banks and the savings banks (the amount of the mortgage loans granted by which we see increased from 469.7 million crowns in 1894 to 1,509 million in 1909) and the land credit establishments (which showed an increase of from 245 million crowns in 1894 to 571 million in 1909).

If we now consider the variations in the amounts granted each year in relation to the rates of interest, we shall be able to understand the beneficial influence exerted in behalf of landed property by the organization of the credit establishments and the continued efforts of the Hungarian Government to induce capitalists to offer the money required for agricultural landed property on the market at low rates. The following statistical table from the Official Report enables us in fact to observe that the money lent by all the land credit establishments (not including the Austro-Hungarian Bank) has been granted at a continually more advantageous rate as the years have advanced.

Year	Mortgage Loans Granted (in Thousands of Crowns)									
	Below 4 %	Between 4 and 5 %	at 5 %	Between 5 and 6 %	at 6 %	Between 6 and 7 %	at 7 %	Between 7 and 8 %	above 8 %	Total
1900	398,970	482,150	180,428	111,382	195,702	86,361	134,527	28,700	103,976	1,722,196
1901	438,203	428,295	220,076	152,536	200,608	89,404	124,788	22,702	100,359	1,777,371
1902	465,476	532,074	163,212	196,687	217,183	80,527	126,423	18,810	86,187	1,886,579
1903	553,842	579,762	167,574	173,655	262,758	81,785	120,219	19,581	75,902	2,033,078
1904	606,595	442,296	230,678	250,157	264,267	79,009	131,506	16,369	59,317	2,170,104
1905	710,861	588,548	209,859	267,654	312,573	100,048	127,766	16,872	54,919	2,389,100
1906	735,628	589,113	271,374	276,704	336,990	116,253	134,489	29,047	68,177	2,557,775
1907	742,468	674,257	170,343	319,883	286,952	140,332	159,569	54,220	144,683	2,692,707
1908	756,648	665,196	231,407	306,395	340,780	162,246	174,376	50,692	112,772	2,890,512
1909	850,981	655,786	326,698	384,501	378,710	180,775	178,473	37,334	101,900	3,095,161

Thus the following results were produced; the loans increased number and amount and the interest they had to pay became lower comparison.

In fact, as against an amount of 1,722 million crowns for loans in 1900 there was in 1909 an amount of 3,095 million. The greater part of the amounts (about 60 %) was granted at the two dates at a rate exceeding 5 %.

We can easily see the variations in the distribution of the loans according to the rate of interest during this period, if we calculate increase for each rate as shown in the preceding table, taking the figure for 1900 as 100 and then calculating the percentage for the other years.

Rate of Interest	1900	1909		
		Loans Increased in a Proportion		
		Inferior to	Equal to	Above
		the General Average		
Less than 4%	100	—	—	213
Between 4 and 5% . . .	100	136	—	—
5 "	100	—	181	—
Between 5 and 6 " . . .	100	—	—	345
6 "	100	—	—	194
Between 6 and 7 " . . .	100	—	—	209
7 "	100	133	—	—
Between 7 and 8 " . . .	100	130	—	—
Over 8 "	100	98	—	—
General Average		180		

We see from the above that between 1900 and 1909 there was increase in the loans at rates below 4 %, to the detriment of these at rates between 4 and 5 %, since the first class increased from 100 to 213, the second, from 100 to 136, while the general average increase was from 100 to 180. The table further shows a decrease in loans at rates above 7 % in favour of those at rates between 5 and 7 %, which increased in the proportion.

We shall close our examination of the establishments conducting credit operations with a statistical table showing the amount of capital possessed by all these establishments together (excluding, however, the Austro-Hungarian Bank) during the ten years 1900-1909.

*Capital of all the Credit Establishments of the Kingdom of Hungary
exclusive of the Austro-Hungarian Bank) in the years 1900-1909.*

Years	Share Capital	Reserve Funds		Total
		Ordinary	Special	
	Thousands of Crowns			
	600,412	187,505	87,687	875,604
	631,071	195,137	83,898	925,106
	621,520	202,628	100,261	924,409
	645,615	212,308	104,790	962,713
	680,102	224,320	111,760	1,016,182
	759,709	254,854	117,460	1,132,023
	882,342	303,338	128,997	1,314,677
	995,465	343,068	133,816	1,472,349
	1,047,676	361,607	137,451	1,546,794
	1,118,728	387,296	142,883	1,648,907

may be said that the security given by the reserve funds to the bank-ratons has been increased in the period under consideration. In fact, in 1900 for a total amount of 1,722 million crowns lent there was a fund of 875 million (equivalent to 50.81 %), in 1909 the loans, amounting to 3,095 million crowns, were secured by a capital of 1,648 millions (equivalent to 53.24 %). An examination of the above table shows that, among the various classes of capital, it is the reserve funds which show the most appreciable increase, from 187.5 million in 1900 to 387.3 million in 1909.

It must not, however, be considered that these figures represent absolutely the security offered for the mortgage operations, because the capital of the credit establishments in question also serves for other ordinary business with which this article is not concerned.

JAPAN.

THE NON-CO-OPERATIVE RURAL CREDIT SYSTEM OF JAPAN

By CHUJI SHIMOOKA, *Director of the Bureau of Agriculture,
Imperial Ministry of Agriculture and Commerce.*

§ I. INTRODUCTION.

The condition and importance of Japanese farming are stated in publication entitled "Outlines of Agriculture in Japan" to the following effect:

"In studying the history of agriculture in Japan, it must be noted the sovereigns of various generations from times gone by directed attention to the encouragement of agriculture, so that the classical name applied to Japan, 'Mizuho-no-Kuni' or the 'Land of Luxurious Crops' is not altogether a misnomer. Since the country was settled, the space of more than 3,000 years, agriculture has formed the basis of the national resources, it having continued until the present in an unbroken line. After the Restoration of the Meiji Regime (1868), communications with foreign countries were extensively started which enabled Japanese to assimilate the very essence of civilization and crafts of Europe and America. In agriculture, too, Japan adopted the best features as were prevalent in Western countries so as to make up for her backwardness both in the application of scientific principles and in actual irrigation, as a result of which entirely new features were produced, giving rise to general agricultural progress and development. Since Japan spans over the two zones, both temperate and torrid, she enjoys the benefit of a fertile soil with moderate changes of climate, which are peculiarly adapted to the luxurious growth of a great variety of plants. In the greater portion of the country, crops are raised twice or thrice and even three times a year. We may indeed style Japan in these respects, 'The Favoured Land of Agriculture'. Under the circumstances, notwithstanding the comparatively limited area under cultivation, agriculture furnishes the greater portion of our national products. A vast number of the people are sufficiently supplied with foodstuffs, but also the excess of imports of cereals to Japan does not exceed 5-6 % of the total crops of cereals present, while there is every reason to expect for the future still greater

entation of the home production. Moreover by supplying a principal part of the raw materials, stimulus is being given towards technical progress, while the farmers, who comprise over 60 % of the total number of population are the greatest consumers of the commercial products of the country. Thus it may be seen that the condition of agriculture affects the general economic circle, since the prosperity and adversity of commerce and industry are regulated by those of agriculture. The consequence is that foreign trade is also affected by the condition of agriculture, so that it may be noted that our agriculture at present, as well as in the past, plays a most important rôle in the economic circle of Japan. The importance of agriculture is not confined to the economic circle; it has important relations to our country's social condition. Speaking from a sanitary point of view it may be noted that, compared with those engaged in commerce and technical industry, farmers enjoy better health and have sounder constitutions, the death rate among them not being very high, whereas the rate of birth is much higher, which fact makes farmers the main head whence fresh blood is supplied to the population. It goes without saying that they supply vigorous soldiers in large numbers, as their military relations are concerned, whilst to commercial and industrial circles men of sound and wholesome type are constantly being added. Judging farmers in the light of moral virtues, we observe that their frugal and diligent habits make them the bulwark for the maintenance of the purity of our people. We have abundant proofs and statistics which bear witness to these facts, but owing to their bulk and intricate local nature we refrain from publishing the particulars. Suffice it to say that the very existence of our nation requires that agriculture should be held in high esteem and not be neglected."

As agriculture has the most important position among all industries in Japan, as quoted above, it is needless to say that it must have at its disposal a good medium by which to obtain abundant capital. Features and practices of agriculture are conspicuously different from those of Europe and America; in Japan, rice is the chief crop half of the total area of cultivated fields being paddy-fields; and sericulture is popular; but stock-raising is insignificant, for the people have not much use for live-stock, except for purposes of labour. The Japanese method is different from that of Europe or America; while the former is small and intensive (specially in its scale and the latter is extensive in labour and intensive in capital, so that capital is not so much required in Japan as in the other countries. But the growth of scientific agriculture, and the larger consumption of agricultural products, caused by the increased population in the country, is, directly or indirectly, making agriculture more and more dependent on capital.

Investigations show that our peasantry of former times were confronted with the same financial circumstances as Europe. They stood in need of credit mostly when their crops and cattle were injured by natural calamities and when they had to pay taxes — consumptive rural credit, so that was the kind of credit chiefly required. But course of time made

them invest money in more productive ways, such as the purchase of land for improvement and reclamation of land.

At first, the circulation of capital was effected by the simple practice of money-lending between individuals, but in the end of the Edo period an organized institution with the necessary mechanism was in existence. Among those which then sprang up, we shall mention as admirable examples the Naimitsu-kyujo-ko (literally translated, Secret Aid Society) founded by Shin-en Sato, and the Hotoku-sha (Gratitude Society), the founder of which was the immortal peasant sage, Sontoku Ninimiya. The former, now extinct, was a warehouse, which received agricultural products, and sold them in order to secure money to lend to people; while the latter, the original Japanese co-operative credit society, exists and becomes more widespread to-day, and is analogous in organisation to Raiffeisen's, which it was, historically speaking, created almost simultaneously.

Since the Restoration, changes of the times caused the Government to see the urgent need of capital at low rates of interest for the encouragement of productive industry and to consider how to procure it. As a result, the Law on Co-operative Societies was for the first time enacted in 1900. Numerous Credit Societies which are in existence to-day are really one kind of the Co-operative Societies enjoying the benefits of the law and as they have rapidly developed, the law may be called a landmark in the history of Japanese agricultural credit.

So far upon the co-operative rural credit system; now let us consider the non co-operative institutions. It must be stated that all of them have a comparatively recent origin and that the most important are the Nippon Kangyo Ginko (the Mortgage Bank of Japan) and the Noko Ginko (Agricultural and Industrial Banks). The former is a concern of national importance, which does business all over the country by making large loans, while the latter are found in each prefecture (*Fu* or *Ken*), and carry out operations in their respective localities only; thus, there are throughout the country one Nippon Kangyo Ginko and forty-six Noko Ginko. In each prefecture where the conditions are different from those of Japan proper a local institute exists, entitled the Hokkaido Takushoku Ginko (the Colonial Bank of Hokkaido), which extends its business to Karafuto (Japanese Saghalien). The island of Taiwan (Formosa) is endowed with capital by the Bank of Taiwan, and Chosen (Korea), by both the Bank of Chosen and the Oriental Colonisation Company; all of which perform the functions of Agricultural and Industrial Banks in different territories. Moreover, the ordinary banks accommodate the requests of farmers as part of their business. The Department of Finance has recently begun to lend money at low rates through the Mortgage Bank of Japan, the Agricultural and Industrial Banks and the Colonial Bank of Hokkaido. Every one of these non-co-operative institutions has its own special rules which are strictly prescribed by the Government. It is their business to make loans without security, to some organizations, such as Co-operative Societies or Farm Land Adjustment Societies, in accordance with their charters, but in the most cases to make long-term loans upon immovable property.

Let us discuss a few legal questions bearing upon the matter, in connection with mortgage and transference of ownership, about which the Civil Code contains ample provisions. In Japan, the mortgagee has a right of priority in preference to other creditors, over the immovable property of the debtor or third person, without transferring its possession, has security for an obligation existing in favour of the mortgagee. With reference to ownership, it is provided, that the creation of the transfer of real right takes effect from the mere expression of the intention of the parties concerned, and, also, the acquisition, or loss of, or any alteration of real right in immovable property can be set up against third persons if such fact has been registered according to the Law of Registration; assignment of real right in immovable property can be set up against third persons only if the thing has been delivered. About land, communal authorities prepare the cadastre according to the Cadastre Law and all Registration offices the register book and whenever entries relate to the land, the latter officials notify the former, who put it down in record.

2. THE NIPPON KANGYO GINKO (THE MORTGAGE BANK OF JAPAN).

It is needless to point out that a bank which deals with merchants is suitable to serve those who are engaged in agriculture or industry who, from the nature of their business, require loans at much lower rate of interest and redeemable at a much longer term than merchants. In contrast with the abundance of commercial banks, there was no bank which would meet the requirements of agriculturists and manufacturers, who, in consequence, were powerless to draw upon their good property. Such being the case, it became imperatively necessary, as a measure for encouraging industry, to make better use of real property, as between farmers and capitalists. With this end in view, the Imperial Government promulgated in April, 1896, the Law of the Nippon Kangyo Ginko, under the name of Law No. 82, and the bank began operations the following year, in 1897, with a capital of 10,000,000 yen out of which 2,500,000 yen was paid up. According to its charter, the bank is to be in existence for one hundred years; and yet it is provided that the term can be extended by a resolution of shareholders duly approved by the Government. In March, 1911, an amendment was adopted to enlarge the scope of its business, by authorising it to make loans upon immovable property in addition to the above.

The functions of the Bank are as follows:

1. To make loans, on the security of immovable property repayable in annual instalments within a period of fifty years.
 2. To make loans, on the security of immovable property or fish-culture, repayable at a fixed time within a period of five years; provided, however, that the total amount of such loans may not exceed one-tenth of the total amount of loans repayable in annual instalments.
- Note. — There is a restriction in making the loans mentioned above in the following cases:
1. With the exception of loans made on the security of lands or

buildings, or the property belonging to factories, the total amount of loans made on the security of lands or buildings located in places subject to municipal administration or in towns designated by Imperial ordinance may not exceed one half of the paid-up capital and the Mortgage Debentures issued.

3. To make loans repayable in annual instalments on the security of loans repayable in annual instalments made by Agricultural and Industrial Banks together with the mortgages connected therewith.

4. To make loans without security to prefectures (*Fu* or *Ken*), cities, towns, municipalities, towns, villages or other public bodies organized by law.

5. To take up the Agricultural and Industrial Banks Debentures issued.

6. To make loans, without security, to Farm Land Adjustment Societies, or persons co-operating in carrying out such adjustment on joint liability, Co-operative Societies, Fishery Societies, Forestry Societies or their federations.

7. To take deposits and accept for safe deposit gold or silver coin or negotiable instruments; provided, however, that the total amount of deposits may not exceed the paid-up capital.

Besides, by virtue of the charter, the bank is authorized to issue national bonds with surplus funds or to turn the amount over to the Bank of Japan on deposit.

The bank may not accept as security such forms of property as schools, hospitals, sanitariums, theatres, mines, quarries, swamps and mineral springs.

In granting applications for the loans secured by immovable property the bank must carefully scrutinise the pledges furnished, having an eye to the following conditions:

1. That the properties are such as will enable the bank to acquire a right of priority.

2. That in the case of lands, they are such that continued assured profits can be derived from them so that the fixed annual repayment bearing upon the loans can be guaranteed after the taxes have been paid.

3. That, in the case of insured buildings or mortgages, the value of the security is double the amount of the loans.

The total amount of the loans of the bank shall not exceed two-thirds of the value which is set upon the securities. With reference to the loans repayable in annual instalments, the amount of the yearly instalments must be equal, calculating capital and interest together, and must not vary according to the circumstances of the year; the only permissible variation from this being when the partial repayment of a loan is under consideration. When the bank comes to determine the rates of interest, it consults the Minister of Finance to obtain the maximum percentage works it out within the limit duly taking into consideration the nature of the requested loans.

It is natural that banks like the Mortgage Bank are always confronted with a difficulty in attracting deposits, because of the fact that the capital once in their hands becomes tied down for a long time, unlike what takes place in the case of the ordinary commercial banks. This caused the Government to bestow upon the Mortgage Bank the privilege of issuing mortgage debentures, with a premium, subject to the restriction that they must not exceed the total sum of loans repayable in annual instalments and Agricultural and Industrial Banks Debentures actually on hand, nor more than the paid-up capital. And its own debentures are to be redeemed by means of drawings two or more times a year at least, in amounts corresponding to the payment of loans repayable in annual instalments and Agricultural and Industrial Debentures taken up by it. Further, it is provided that wherever its credits are settled prior to the time appointed for settlement, an equal sum may be invested in redeeming its own debentures by purchase, or by conversion into other debentures bearing the same rates of interest.

During the first ten years after its establishment, the bank was empowered to ask the Government for a subsidy, in case its dividends fell short of 5 per cent per annum, until that amount was reached, and it was given the further privilege of being exempted from paying the registration and other duties. As the bank occupies such a unique position and enjoys special immunities for the purpose of encouraging agriculture and industry, it is under the control of two supervisors and has to consult the Financial Minister as regards its business.

The following tables show the standing of the bank at the end of 1910.

Capital and Reserve :

Nominal capital	10,000,000 yen
Paid-up capital	8,748,950 »
Reserve	2,333,400 »

Note. — Of this last amount, 827,000 yen is the special reserve.

Debentures :

Total amount issued since establishment .	89,001,560 yen
Amount redeemed	14,775,470 »
Balance	74,226,090 »

Note. — 29,910,000 yen out of the last figure was floated in 1910.

Loans :

	Amount advanced during the year	Balance
Loans repayable in annual instalments	94,613,120 yen	86,075,520 yen
Loans repayable at a fixed time	2,467,924 "	2,347,627 "
Total . . .	97,081,044 "	88,423,147 "

The loans were invested by debtors in the following manner :

Agriculture	29,099,953 yen
Industry	34,496,757 "
Fisheries	32,100 "
Prefectures, districts, municipalities, towns and villages	12,919,184 "
Irrigation Societies and Civil Engineering Societies	4,472,564 "
Farm Land Adjustment Societies	6,723,725 "
Co-operative Societies	48,500 "
Special security loans and Agricultural and Industrial Bank Debentures on land . .	796,692 "
Total . . .	88,588,585 "

Note. — The difference between this figure and that of the balance loans is due to the fact that 165,438 yen was circulated upon the debentures.

Loans repayable in annual instalments:

	Amount advanced during the year	Balance
Ordinary loans	39,452,049 yen	34,697,346 yen
Formosan loans	2,122,883 "	2,049,321 "
Guaranteed loans . . .	52,195,188 "	48,697,599 "
Special security loans .	843,000 "	631,254 "
Total	94,613,120 "	86,075,520 "

Note: — Guaranteed loans are a credit for which the Bank of Formosa, various Agricultural and Industrial Banks have contracted and guaranteed, acting on behalf of the mortgage Bank, while special security loans are made on the security of loans repayable in annual instalments made by Agricultural and Industrial Banks together with mortgages connected there-

The guaranteed and ordinary loans were borrowed and spent in the following manner:

Debtors	Ordinary Loans		Guaranteed Loans	
	Number of loans	Amount — yen	Number of loans	Amount — yen
Culturalists	659	7,123,639	15,727	20,023,620
Cultural firms	4	33,344	2	6,631
Manufacturers	389	5,569,103	4,865	20,390,172
Manufacturing firms . .	90	6,802,837	33	319,175
Merchants	—	—	7	32,100
Professions	21	4,106,062	2	220,196
Traders	19	1,135,818	14	118,037
Municipalities	40	4,012,815	9	352,737
Towns and villages . . .	61	1,100,319	345	1,854,916
Co-operative Societies . .	67	2,545,590	46	561,662
Engineering Societies . .	6	334,176	—	—
Land Adjustment Societies	1,213	1,945,383	1,018	4,778,353
Co-operative Societies . .	1	8,500	4	40,000
Total	1,480	34,697,346	22,082	48,697,599

In following table, the ordinary and guaranteed loans are classified according to the kinds of the undertakings for which they were lent :

Undertaking	Ordinary Loans		Guaranteed Loans	
	Number of loans	Amount Yen	Number of loans	Amount Yen
Reclamation of lands	229	2,726,447	3,105	4,230,471
Improvement of farm lands . . .	59	677,528	1,573	1,918,371
Irrigation and earth works . . .	35	401,646	348	636,000
Horticulture	33	204,529	751	1,718,921
Forestry	126	1,540,847	1,941	3,126,261
Cattle farming	68	939,722	2,045	2,461,801
Sericulture	42	205,512	3,640	2,963,771
Various agricultural undertakings .	71	460,733	2,334	2,944,341
Total . . .	663	7,156,982	15,739	20,030,251
Various industries	479	12,372,941	4,898	20,709,341
Fisheries	—	—	7	32,101
Adjustment of farm-lands	123	1,945,383	1,018	4,778,311
Public Organizations	214	13,214,540	416	3,107,541
Co-operative Societies	1	8,500	4	40,001
Total . . .	338	15,168,463	1,438	7,925,001
Grand Total . . .	1,480	34,697,346	22,082	48,697,591

The Minister of Finance approved for the year the following maximum rates of interest :

Loans repayable in annual instalments	Individuals and corporate applicants	7.5%
	Farm Land Adjustment Societies and persons co-operating in carrying out such adjustment with joint liability	7.5%
	Co-operative Societies and their federations	7.3%
	Towns, villages and other public organizations	7.5%
	Prefectures, districts and municipalities	7.0%

In case of the loans repayable at a fixed time it was arranged that 0.5 % should be added to each one of the above rates.

§ 3. THE NOKO GINKO (AGRICULTURAL AND INDUSTRIAL BANKS).

These banks, which are found in each prefecture (*Fu* or *Ken*), were first brought into existence to make long-term loans upon immovable property, similar to those made by the Mortgage Bank. As our readers may understand, the latter does business on a large scale, and does not care to deal with small manufacturers and peasantry many of whom possess nothing worth enough to be pledged. If these classes of the people are to be properly cared for there must be another organ which will make small loans, sometimes without security. Such circumstances gave birth to the Agricultural and Industrial Banks, for which the Government promulgated the Law on Agricultural and Industrial Banks, as the Law No. 83 in April, 1896. According to the Law, they are to be joint stock companies created in each of the prefectures with a capital of 300,000 yen and upwards, and to-day there are forty-six banks in the country, which were founded during the last years from 1897 onwards. They do not give personal credit to individuals, unless found together in groups of twenty or more with joint liability. While many amendments have been made from time to time, the scope of their business stands to-day as follows:

1. To make loans on the security of immovable property, repayable in equal instalments within a period of thirty years.
2. To make loans, on the security of immovables, repayable at a fixed time within a period of five years; provided, however, that the total amount of such loans may not exceed one-fifth of the total amount of loans payable in annual instalments.

Note. — In making the loans mentioned above in 1 and 2, care is to be taken that the amount of the loans for city lands shall not exceed one-fifth of the total of the paid-up capital and the debentures issued.

3. To make loans, without security, according to 1 and 2 to the districts, municipalities, towns and villages or other public bodies organized therein.
4. To make loans, without security, according to 1 and 2, to Farm Adjustment Societies, or persons co-operating in carrying out such movement with joint liability.
5. To make loans, without security, repayable at a fixed time within a period of five years, to groups of twenty or more agriculturists or manufacturers with joint liability whose credit is sure.
6. To make loans, within the provisions of the second clause, repayable at a fixed time with a period of five years, on the security of usufruct rights.
7. To make loans, without security, according to 1 and 2, to Co-operative Societies, Fishery Societies, Forestry Societies, or their federations.
8. To take deposits and accept for safe deposit gold or silver bullion and negotiable instruments, provided, however, the total amount of deposits at any time except gold may not exceed the paid-up capital.

Furthermore, an Agricultural and Industrial Bank is authorized to buy negotiable instruments with surplus funds, or deposit it in other banks, and the regulations regarding conditions of the pledges and loans repaid in annual instalments are the same as those relating to the Mortgage Bank.

By way of raising the necessary loan funds the concerns are granted the privilege of issuing debentures, to the amount of five times the paid-up capital, for which they are, however, obliged to offer as security all the mortgages they possess, and also their own capital; but the bonds are with a premium. The fact that they are provincial concerns, engaged in different respective localities, prevents any widespread subscription of their debentures; and consequently they are allowed to turn them over to the Mortgage Bank. Another concession is that they are entitled to approach the bank whenever need arises, to get capital, on the security of loans repaid in annual instalments together with the mortgages connected therewith. This form of liability is what has been classed as "special security loan" in the previous section, devoted to the Mortgage Bank. Further, it has been mentioned that they have utilised the great part of their deposits for loan funds.

In order to guarantee their business, the Government enacted "Law of Subsidising Agricultural and Industrial Banks" by virtue of which the authorities appropriated 10,000,000 yen to be distributed among prefectures in the proportion of 70 yen for every one hundred *cho* of taxable land. With these sums, the prefectural offices were enabled to become shareholders of the banks; but strict measures were taken in order that their shares should not bear dividends for the first five years after the concerns had been in business and that during the following five years the dividends accruing therefrom should be set aside as reserve fund. Later, an amendment was proclaimed to prolong the latter term to fifteen years. The Government provides for the same supervision as in the case of the Mortgage Bank save that their supervisors are chosen from among the higher prefectural officials.

The following statistics show the standing of the banks at the end of 1910:

Number of banks 46

Capital and Reserve:

Aggregate nominal capital	33,170,000 yen
" paid-up capital	30,619,030 "
" reserve	7,764,326 "

Note. — Out of the last sum, 156,500 yen was set aside as the reserve other than those for insuring against losses and equalising dividends, and 1,397,223 yen as guaranteed liability reserve.

Debentures:

Number of the banks which issued	21
Amount issued in the year	13,725,600 yen
Amount not redeemed	11,697,580 "

Deposits:

	Total Amount in the year	Balance
Fixed deposits	53,274,002 yen	16,143,803 yen
Current deposits	4,752,234 "	805,493 "
By current deposits	2,395,403 "	930,194 "
For deposits	283,915 "	124,665 "
Total	60,705,554 "	18,004,155 "

Debts: From the Mortgage Bank on the security of loans repayable in annual instalments together with mortgages connected therewith.

Number of the banks which are debtors	11
Amount obtained in the year	842,468 yen
Amount not repaid	631,254 "

Loans:

	Total amount in the year	Balance
Loans repayable in annual instalments	50,532,843 yen	44,782,676 yen
Loans repayable at a fixed time	10,384,898 "	6,738,178 "
For term loans	378,132 "	30,622 "
Total	61,295,873 "	51,551,476 "

Loans repayable in annual instalments and at a fixed time classified according to the debtors.

	Annual	Fixed
Co-operative organisations	(1) 786,609 yen	(1) 417,467 yen
Agriculturists	27,603,212 "	632,145 "
Manufacturers	12,573,005 "	906,283 "
Cultural firms	126,902 "	18,300 "
Manufacturing firms	673,240 "	85,100 "
Co-operative Societies	31,124 "	1,021,511 "
Land Adjustment Societies	2,974,584 "	165,286 "
Farmers	14,000 "	9,500 "
Groups of agriculturists with joint liability	—	3,211,338 "
Groups of manufacturers with joint liability	—	271,248 "
Total	44,782,676 "	6,738,178 "

Of these sums, 670 yen and 500 yen were lent to Flood Prevention Societies.

Loans repayable in annual instalments and at a fixed time classified according to the undertakings upon which they were expended.

<i>Agriculture :</i>	<i>Annual</i>	<i>Fixed</i>
Reclamation of lands, drainage, etc.	12,009,866 yen	829,871 yen
Road works.	45,917 "	149,642 "
Afforestation	5,336,939 "	246,795 "
Purchase of raw materials, manures etc.	3,716,579 "	2,383,379 "
Purchase of live stock, utensils, etc.	1,809,948 "	291,846 yen
Construction of houses etc. .	1,339,443 "	48,336 "
Agricultural improvement etc	5,202,716 "	1,291,625 "
Conversion of old loans . . .	1,560,575 "	68,873 "
<i>Industry and Fisheries :</i>		
Purchase of raw materials	3,633,898 "	455,595 "
Purchase of utensils etc. . .	654,586 "	90,560 "
Construction of houses etc. .	1,146,290 "	166,575 "
Industrial improvement . .	7,727,196 "	663,742 "
Conversion of old loans . .	418,538 "	19,969 "
Fisheries	180,185 "	31,370 "
Total	44,782,676 "	6,738,178 "

For the year, the Minister of Finance imposed 8 per cent as the maximum rate of interest, for loans repayable in annual instalments and at a fixed time which can be levied upon public bodies, Farm Land Adjustment Societies and Co-operative Societies, and 8.5 per cent for the most of the remaining applications, though care is taken to regulate it in accordance with the conditions of each respective prefecture.

§ 4. THE HOKKAIDO TAKUSHOKU GINKO (THE COLONIAL BANK OF HOKKAIDO)

This was founded to facilitate circulation of capital in Hokkaido with a view to assisting its undertakings of colonization, and it was in April, 1900, that it actually started business, with a nominal capital of 3,000,000 yen and a paid up capital of 750,000 yen ; the necessary legislation having been drawn in 1899, as the Law No. 76. Last year, by order of the Government, the territory of its business was extended, so as to include Karafuto. These places are not yet fully developed but teem with resources which await exploitation. Nevertheless, land is extremely cheap, while interest is very high ; and consequently the bank is confronted with a great deal of difficulty in raising capital on the credit of real estate alone. A

hermore, there is not yet established a perfect commercial organisation on the island, the range of the business it does is very extensive, as follows:

1. To make loans on the security of immovable property repayable in annual instalments within a period of thirty years.
2. To make loans, on the security of immovable property or any rights, repayable at a fixed time within a period of five years.
3. To make loans, on the security of shares or debentures of undertakings which are engaged in a business conducive to developing Hokkaido or Karafuto and, also, to subscribe to or take up the said debentures on its account.
4. To make loans on the security of drafts, documentary bills, etc.
5. To take deposits and safe deposits.
6. To discount bills.
7. To make loans without security repayable in annual instalments at a fixed time, to municipalities, towns or villages incorporated according to the Local Law of Hokkaido, or to the public bodies organized by law.
8. To make loans, without security, repayable in annual instalments or at a fixed time, to Farm Land Adjustment Societies or persons operating in carrying out such adjustment with joint liability.
9. To make loans without security repayable at a fixed time within a period of five years, to groups of twenty or more agriculturists or manufacturers with joint liability whose credit is sure.
10. To make loans without security, repayable in annual instalments at a fixed time to Co-operative Societies, Fishery Societies, Forestry Societies or their federations.
11. With the deposits, to make short-term loans or discount the bills issued upon national loan bonds, or negotiable instruments approved by the Minister of Finance.
12. To make loans on security of products conducive to the industrial exploitation of Hokkaido or Karafuto, when they are stored in warehouses, which exist for the purpose of keeping them.
13. To purchase with surplus funds national or local bonds or debentures.

The bank's standing at the end of 1910 was as follows:

Capital and Reserves:

Nominal capital	5,000,000 yen
Paid-up capital	3,500,000 "
Reserves	680,000 "

Note: — The reserves include 183,000 yen appropriated for various purposes other than those for guaranteeing against losses and equalising funds.

Debentures:

Amount issued in the year	11,624,000 yen
Amount not redeemed	7,096,000 "

<i>Deposits :</i>	Total amount in the year	Balance
Fixed deposits	8,327,026 yen	4,209,048
Current deposits	35,047,270 "	1,272,461
Special current deposits	9,416,933 "	2,043,472
Other deposits	1,198,620 "	95,915
Total	53,989,849 yen	7,620,896

<i>Loans :</i>	Total amount in the year	Balance
Loans repayable in annual instalments	12,929,530 yen	11,050,977
Loans repayable at a fixed time . .	2,463,456 "	1,768,692
Loans to Co-operative Societies and groups with joint liability	134,672 "	23,390
Loans secured by shares and debentures	2,576,433 "	490,704
Loans secured by products	5,281,794 "	834,062
Loans secured by drafts	6,530,004 "	344,046
Amount drawn over deposits	2,401,038 "	208,500
Total	32,316,927 "	14,720,371

Loans repayable in annual instalments and at a fixed time classified according to the debtors.

	Annual		Fixed	
	Number of loans	Amount	Number of loans	Amount
		Yen		Yen
Agriculturists	15,747	7,993,415	237	811,140
Agricultural firms	24	115,448	—	—
Manufacturers	54	135,803	7	140,000
Manufacturing firms	4	88,970	3	210,000
Merchants	428	1,153,306	52	396,000
Commercial firms	12	277,714	2	81,000
Miscellaneous	111	300,380	6	61,000
Fishermen	20	257,004	1	60,000
Public organizations	19	344,407	2	30,000
Towns and villages	5	384,536	6	105,000
Total	16,424	11,050,977	316	1,768,692

s repayable in annual instalment and at a fixed time classified according to be undertakings for which they were drawn.

	Annual	Fixed
Reclamation of lands, drainage, etc.	3,219,102 yen	253,466 "
Roads and ditches . . .	831,499 "	431,707 "
Houses and machinery	154,518 "	7,940 "
Industry	125,907 "	27,435 "
Stock farming	540,721 "	173,540 "
Sericulture	8,519 "	— "
Orchards	55,424 "	750 "
Homesteads	314,556 "	55,726 "
Agriculturists' purchase of horses and oxen	46,837 "	450 "
Land improvement . . .	28,386 "	1,650 "
Seeds and manures . . .	1,461 "	2,200 "
Conversion of old loans	5,695,285 "	813,828 "
Miscellaneous	28,762 "	— "
Total	11,050,977 "	1,768,692 "

he Minister of Finance prescribed for the latter half year of 1910
lowing maximum rates of interest:

Public Bodies:

Upwards of 100,000 yen	7.5 per cent
" " 50,000 "	8.0 per cent
Below 50,000 "	8.5 per cent

Individuals:

Upwards of 50,000 yen	8.0 per cent
" " 10,000 "	9.0 per cent
" " 5,000 "	9.0 per cent
Below 5,000 "	10.0 per cent

§ 5. LOW RATE FUNDS APPROPRIATED BY THE DEPOSIT
SECTION OF THE FINANCIAL DEPARTEMENT.

veral years ago, the Japanese Government commenced to make
postal savings, which are entrusted to the Deposit Sections of the
ment of Finance. That is, it commenced to circulate them in the
of loans through the banks of which we have treated in the previous

sections. To public bodies, this was put in practice early in 1909; to Farm Land Adjustment Societies and Co-operative Societies, in 1910; to Forestry and Fishery Societies, in 1911; and to farmers, manufacturers, or traders with petty loans within the amount of 500 yen, in the same year. The amount of these funds appropriated to agriculture furnish the whole of the amount lent to Farm Land Adjustment Societies, most of those lent to Co-operative Societies, and a part of the petty loans to farmers.

Financial authorities anticipate for the current year that the money will be employed in the following manner:

Public bodies	10,000,000 yen.
Petty loans to farmers, manufacturers and traders	5,000,000 "
Farm Land Adjustment Societies	3,200,000 "
Co-operative Societies	1,500,000 "
Fishery Societies	200,000 "
Forestry Societies	100,000 "

Excepting the petty loans, 5.3 per cent was imposed upon amounts upwards of 30,000 yen, and 5.8 per cent upon those below the amount.

§ 6. OTHER NON-CO-OPERATIVE ORGANS OF CREDIT.

Undoubtedly the Japanese farmers may at times make use of the money lent by the ordinary deposit and savings banks. Although there are no reliable statistical reports to show how much capital the bankers have at their disposal on the security of immovable property, there is every reason to believe that it is by no means small, though it may be less than the amount circulated by the Mortgage Bank and Agricultural and Industrial Bank.

In order to show the amount of loans at the end of 1910, the following table is appended:

	Total amount of loans	Loans secured by immovable property
Ordinary banks	554,046,132 yen	189,470,216 "
Savings banks	111,023,387 "	45,415,749 "

RHODESIA.

(British Colony)

THE RHODESIA LAND BANK.

SOURCES:

W.: The Rhodesia Land Bank. "The Rhodesia Agricultural Journal," (Salisbury Rhodesia), August, 1912.

CHARLES.: The New Day in Rhodesia. "The Fortnightly Review," London, October, 1912.

Statesman's Year-Book, 1912. London: Macmillan and Co. 1912.

the provision of agricultural credit in a recently settled colony with a white population scattered over an immense area, naturally presents a very different problem from the provision of credit facilities for a comparatively dense European agricultural population. Hence it is in Rhodesia, which, with an area of nearly 240,000 square miles, contains a European population of little more than 25,000, the co-operative system has not as yet been found applicable.

Credit facilities, however, were required to promote the agricultural development of the country. The settlers, it is true, are almost invariably provided with a certain amount of capital. The British South Africa Company, to whom the administration of the country is entrusted, are careful in their selection of the men to whom land is allotted. Their policy has been to obtain a superior class of settler rather than to attract a rapid influx of immigrants, and they insist upon the possession of a substantial capital as one of the conditions of acquiring land. By the selected applicants, approved land can be obtained at from 2s. 6d. per acre and upwards, and may be either purchased outright or taken on lease. In either case, conditions of occupation and improvement are imposed.

The need for additional capital has to some extent been supplied by the ordinary banking companies, but it has been realised for some time that the agricultural industry needed more financial assistance than they could supply and the Government has recently established the Rhodesia Land Bank with this purpose. The immediate object of the Bank is to advance money in moderate amounts to farmers on the security of landed property (other than town property) or on other approved security. It is

specially intended to assist hard-working men of moderate means to acquire or improve their holdings.

The following is a summary of the principal conditions under which advances are made to farmers by the Rhodesia Land Bank on the security of land within Rhodesia:

1. Advances are made on First Mortgage over landed property or deposit of other approved security:

2. Advances are made for all or any of the following purposes:

(a) For the purchase of land or to enable existing liabilities on land to be paid off.

(b) For the purchase of live stock, plant and agricultural implements generally.

(c) For effecting improvements on land, including farm building, fencing, irrigation works and afforestation.

3. No advance is made to any one farmer of a greater sum than £2,000.

4. Interest on advances is charged at the rate of 6 per cent. per annum payable half yearly on the 30th. June and 31st. December of each year at the office of the Bank in Bulawayo.

5. All advances must be repaid in instalments within a period not exceeding ten years, but may be paid in a shorter period if the borrower so desires.

As advances are made mainly for the purpose of being expended on reproductive works or in the acquisition of live-stock, it is considered that the farmers' ability to repay would increase each year. It has, therefore, been arranged that the repayment of loans may be made on the following scale:

During 1st. and 2nd. years		Nil.
At the end of the 2nd year		4 per cent.
"	" 3rd. "	7 " "
"	" 4th. "	9 " "
"	" 5th. "	11 " "
"	" 6th. "	12 " "
"	" 7th. "	13 " "
"	" 8th. "	14 " "
"	" 9th. "	15 " "
"	" 10th. "	15 " "
		100 " "

6. The costs and fees of preparing or discharging any mortgage, pledge or other security must be paid by the mortgagor or pledgor to the bank.

7. A fee of £1 is charged by the Bank on each application for a loan.

8. Where it is necessary to inspect a farm in connection with an application for a loan, the actual salary and travelling expenses of the Bank Inspector during the time when he is so employed must be paid by the applicant.

9. All applications for loans must be made on the prescribed form.

10. Each application for a loan must be accompanied by a remittance of 5 on account of inspection expenses and to cover the Bank's fee. If inspection is not necessary, the sum of £4 will be refunded.

11. No advance will be made upon the security of any unsurveyed lands if any "stands" situate within the limits of any municipality or town, but such unsurveyed land or "stands" may be accepted as collateral security, provided it does not constitute the main part of the security.

12. No advance on the sole security of land will be made for more than 50 per cent. of its agricultural or pastoral value plus 60 per cent. of the value of the permanent improvements thereon as determined in both cases by the Bank, and no advance will be made on the security of land not permanently occupied and beneficially cultivated or worked.

13. All mortgage bonds must contain, in addition to provisions for payment of interest and principal as they fall due, covenants that the mortgagor will keep all buildings and other improvements on the land in good repair and condition; that insurance shall be effected as may be prescribed by the Bank, and that the insurance policy shall be ceded to the Bank as collateral security; and that the mortgagor will at all times cultivate and manage the lands in a skilful and proper manner.

These conditions will be supplemented or amended from time to time as experience may show to be desirable.

specially intended to assist hard-working men of moderate means to acquire or improve their holdings.

The following is a summary of the principal conditions under which advances are made to farmers by the Rhodesia Land Bank on the security of land within Rhodesia:

1. Advances are made on First Mortgage over landed property or deposit of other approved security:

2. Advances are made for all or any of the following purposes:

(a) For the purchase of land or to enable existing liabilities on land to be paid off.

(b) For the purchase of live stock, plant and agricultural implements generally.

(c) For effecting improvements on land, including farm building, fencing, irrigation works and afforestation.

3. No advance is made to any one farmer of a greater sum than £2,000.

4. Interest on advances is charged at the rate of 6 per cent. per annum payable half yearly on the 30th. June and 31st. December of each year at the office of the Bank in Bulawayo.

5. All advances must be repaid in instalments within a period not exceeding ten years, but may be paid in a shorter period if the borrower so desires.

As advances are made mainly for the purpose of being expended on reproductive works or in the acquisition of live-stock, it is considered that the farmers' ability to repay would increase each year. It has, therefore, been arranged that the repayment of loans may be made on the following scale:

During 1st. and 2nd. years	Nil.
At the end of the 2nd year	4 per cent.
" " 3rd. "	7 " "
" " 4th. "	9 " "
" " 5th. "	11 " "
" " 6th. "	12 " "
" " 7th. "	13 " "
" " 8th. "	14 " "
" " 9th. "	15 " "
" " 10th. "	15 " "
	100 " "

6. The costs and fees of preparing or discharging any mortgage, pledge or other security must be paid by the mortgagor or pledgor to the bank.

7. A fee of £1 is charged by the Bank on each application for a loan.

8. Where it is necessary to inspect a farm in connection with an application for a loan, the actual salary and travelling expenses of the Bank Inspector during the time when he is so employed must be paid by the applicant.

9. All applications for loans must be made on the prescribed form.

10. Each application for a loan must be accompanied by a remittance of 5 on account of inspection expenses and to cover the Bank's fee. If inspection is not necessary, the sum of £4 will be refunded.

11. No advance will be made upon the security of any unsurveyed lands or any "stands" situate within the limits of any municipality or town-ship, but such unsurveyed land or "stands" may be accepted as collateral security, provided it does not constitute the main part of the security.

12. No advance on the sole security of land will be made for more than 50 per cent. of its agricultural or pastoral value plus 60 per cent. of the value of the permanent improvements thereon as determined in both cases by the Bank, and no advance will be made on the security of land not permanently occupied and beneficially cultivated or worked.

13. All mortgage bonds must contain, in addition to provisions for payment of interest and principal as they fall due, covenants that the mortgagor will keep all buildings and other improvements on the land in good repair and condition; that insurance shall be effected as may be prescribed by the Bank, and that the insurance policy shall be ceded to the Bank as collateral security; and that the mortgagor will at all times cultivate and manage the lands in a skilful and proper manner.

These conditions will be supplemented or amended from time to time as experience may show to be desirable.

Part IV. Miscellaneous

FRANCE.

RICULTURAL ORGANIZATION IN FRENCH WEST AFRICA.

SOURCE :

rt of the Committee on the Estimates of Expenditure for the Year 1912 (Colonial Estimates), presented by the Deputy Albert Métin (Chamber of Deputies. Ordinary session of 1911. Schedule 1,232).

§ 1. A GLANCE AT THE ECONOMIC CONDITIONS OF THE COUNTRY.

French West Africa is a country for the most part agricultural ; the soils are fertile and is cultivated by the natives : the Europeans, so to say, are a small aristocracy of merchants and Government officials.

Among the exports, produce from which oil can be manufactured is gaining more and more importance with the advance of the railways in reducing the cost of carriage, permit of the cultivation of a larger area of land. Thus, in Senegambia, the influence of the railways on the cultivation of ground nuts is felt to a distance of 40 kms. either side of the line. Similarly, the production of another, highly esteemed oil yielding plant, sesamum, is extending considerably, especially in the districts crossed by the railway from Kayes to Bamako and the Niger.

Among the other crops, let us mention rice and maize. Lower Dahomey, with its maize fields and oil palms surrounding its villages, gives the impression of a state of cultivation not unlike that of the French country districts. On the other hand, the other colonies of the South, the Ivory Coast and Guinea, have remained forest land and principally export rubber.

Cattle Improvement is carried on in Senegambia, the Sudan, and in the colonies of Fouta-Djalon in Guinea. Recently experiments have been made

with the object of importing into France several thousand head of cats from these regions.

§ 2. STOREHOUSES FOR SEED TIME AND SEASONS OF SCARCITY.

The prosperity of Senegambia depends on a single crop: that of groundnuts. It is therefore very greatly to the interest of the Government to see that the natives have every year the necessary amount of seed for sowing before the rainy season. For this purpose, in the year 1893, Governor Lamothe, and later, in 1897, Governor General Chaudie, called the attention of the district administrators of Louga, Tivaouane and Thiès to the necessity of inducing the natives to form reserve supplies.

The negroes, in fact, are not thrifty; if they are in need of money, or only if they can obtain fair prices, they do not hesitate to sell all their crop with the result of having to borrow at seed time the seed they require from the same dealers to whom they sold a few months before. The loan is granted at a much higher rate of interest than the purchasers pay in the same year; besides the debtor must return out of his next crop, over and above the amount of seed borrowed, an extra amount varying from 30 to 100 % of what he received. And since the term of the loans is six months, the rate of interest seems excessive.

The institution of storehouses was intended precisely as a remedy to this state of things: the circulars of February 3rd. and October 18th 1902 had ordered their institution in each village, but regulations were never made for their management; yet left to the initiative of the administrators, where the institution has been supervised and encouraged, has given excellent results.

In the report on the agricultural situation in 1910-1911, it is observed that "if the storehouses have an excellent influence on the development of the local production, they may render even more important services since, by selection of the seeds, the quality of the produce may be improved."

From 1905 to 1907, the farmers of Senegambia were put to hard proof by disasters of every kind; and a large number were reduced to starvation, especially at the mouth of the river and in Sine-Saloum. During the years 1905-1906, the Government advanced about 600,000 francs worth of seeds and 150,000 francs worth of provisions: the seeds were returned almost to the full amount, but it was not so in the case of the provisions. There are no precise data on the subject. In view of the above experiments, the Governor General, in a letter of May 8th., 1907, recognised the possibility of forming native thrift societies, on the analogy of the provisions of the law of April 14th., 1893, authorizing the organisation of such societies in Algeria.

§ 3. EXPERIMENTS IN NATIVE THRIFT SOCIETIES.

The first thrift societies in Senegambia were founded between 1907 and 1909. The experience obtained in Sine-Saloum and Baol is in many ways instructive.

The first society was founded at Kaolack in Sine-Saloum. In 1907 the administrator had obtained an advance of 20,000 frs. to attempt an experiment in mutuality. With this sum he was able to purchase 100 tons of ground nut seed and published in a small district in the neighbourhood of Kaolack that he would advance the seeds on condition that the applicant would return the amount received together with 5 % interest after the harvest. The results were good.

In 1908 a section was opened at Fatick ; here also the results were satisfactory and the assets of the society, which, in the previous year, had consisted of 124,000 kgs. of seed, rose in 1908 to 186,700 kgs. Then the management proposed not to ask the members for payment of entrance fees and on the other hand to raise the interest to 50 %. There was an evident over-estimation here and the consequences were immediately felt, since the number of members fell from 774 to 353.

Under these circumstances, the management found itself obliged to reduce the sale of 80 tons of ground nuts it had not been possible to lend. The sales at 16 frs. the quintal yielded 13,081.85 frs, which, in the last analysis, was considerably less than the trade prices of 1909.

In Baol, in April, 1909, the administrator founded a native association for digging wells in the district, which was also to have an extensive economic and social action. On April 6th., the administrator asked the Governor if the Government would follow up his action : on April 16th, he reported that the idea of association had rapidly spread among the people, and the rules had hardly been sent to Saint Louis, as requested by the Governor, when the collection of the contributions, fixed at one franc per inhabitant, began. On April 24th., 12,280 frs. had been collected and at the end of July the amount was 128,823.75 frs.

When the Governor returned the rules he urged the suspension of all expenditure, but unfortunately his prudent advice was not followed, so that, twelve months later (at the end of July), 25,611.97 frs. had already been spent on the digging of eight wells and the purchase of plant, pumps and fittings, cement, implements, wire, etc. On August 14th. the administrator received orders to form a provisional board of management, to deposit in the Bank of French West Africa the remaining funds, that is to say, 103,211.87 frs, and to take no further part in the management. In March, 1911, the inspectors reported that all the business had been carried on with great regularity, that no stipulation had been made for the payment of interest on the money deposited in the bank, that the expenditure for purchase of pumps amounted to 14,463.50 frs and that the greater part of the machinery, too late to be used by the negroes, was already no longer serviceable etc.

The experiment of Baol shows the difficulties that may arise in working without a pre-established plan.

So the decree of June 19th., 1910 organizing and giving uniformity to the individual attempts came at a very opportune moment.

This decree authorizes the foundation of Native Thrift Societies, as well as of Societies for Mutual Aid and for Land Credit, in the Colony French West Africa. It was promulgated by the Governor General July 21st., and published in the Official Journal of Senegambia on the 4th of August following.

By circular No. 71, the Governor General issued a form of rules to serve as a guide for the formation of such societies, liable to modification in the non-essential parts, according to local requirements.

These rules gave occasion to some criticism on the part of the inspectors, on the following points:

1. It is laid down that the society should be composed of all natives who have lived for six months in the district and that they must pay annual contribution. This is too general and might lead to the belief that all the natives in a district must be members of the society.
2. The society, enjoying civil personality, must be able to give account of its actions: it is indeed bound to keep its books, but in the model no mention is made of an essential register, the register, namely, in which the proceedings of the society are entered.
3. According to the model rules, the interest on loans in money must not exceed 5 % per ann., nor that on loans in kind 25 %. The latter is considered too high.

The Governor General, recognising that on the first point the drafting of the rules was ambiguous, has issued a circular giving the formula adopted, and also given order that each society keep a register of its proceedings and that the rate of interest on loans in kind be lower.

§ 4. NATIVE LANDED PROPERTY.

The negroes outside the cities inhabited by Europeans, do not conceive of landed property under the individualist form it assumes in civilised countries. In the greater number of tribes it is admitted that the sovereign whom tax is paid, is the owner of the land, that is, that the owner, of the soil, in default of chief and sultan, is the State.

The tax therefore seems to be a kind of rent for the land to be cultivated, granted by the State to the local collective bodies. The State, supreme master of the land, has therefore the right to dispose of it altogether or in part. This notion explains how the grant of concessions to Europeans in negro villages has never excited objection among the natives.

The sovereign, however, may have ceded his rights to this or that individual or to this or that collective body and this he may have done for the life of the occupant or with right of transmission to his family.

latter case, the occupant pays certain dues (ordinarily insignificant, but in sign of vassallage than as rent), and the land tax paid to the sovereign appears as an exterior sign of tangible deference and respect or a minimum paid to a powerful protector entrusted with the maintenance of peace in the country. We must, however, note that the first receiver of the tax may in his turn transfer all or part of his rights to a third party, who may again transfer them. The possessor of the soil may in this way have certain number of obligations to this or that person, burdening his person. We say crops, because the rights in question are not over the bare soil but over the soil as productive. If then, for example, in a particular year, the possessor of the soil has not cultivated it, he will not have to pay anything to his superiors. The usage, however, is that places serving for dwellings are not burdened with this kind of mortgage.

The areas capable of cultivation of which we have spoken above are already possessed by an individual and more frequently belong to this or that village. Every family has rights by usage to this or that part of the territory of the village and any encroachment of a family on the customary rights of another leads to conflicts that usually have to be settled by the village chief. If a stranger, coming to settle in the country, wishes to obtain possession of certain land, he must arrange with the family occupying the land and undertake to pay certain dues to it, besides another contribution to the village chief who represents the entire community.

In the family it is the head who directs the agricultural labours, the person from which serves first of all to discharge the obligations of the tribe: taxes, hospitality, maintenance of the sick, aged, etc. When provision has been made for this, every family cultivates within the area its own land as much of it as it desires, and all conflicts between members of the family are settled by its head.

Beyond the territory of the village, limited to the land that can be cultivated by it, the soil, which is the property of the State, is in fact *res nullius* and whoever desires to exploit it may freely do so, on condition of paying the State a certain tax. Notwithstanding this, the decree of December 2nd, 1906 authorized the registration of the land worked, in the case of those occupying it according to local usage. These rules apply equally to all French West Africa and the above decree introduces the necessity of written proof of agreements entered into among the natives. In this way it was intended to give agreements entered into, according to the more or less solemn forms in use, a certain degree of publicity so as to reserve the memory of them at least for a time. The decree, therefore, templates the possibility of every person having a document written in French which shall have the authority of a legal deed and serve as proof in case of future disputes.

This deed must contain all information as to the contracting parties, their identification, as to the subject of the agreement and the nature and bearing of the mutual obligations. It must be presented to the administrator of the district who shall satisfy himself of its formal regularity, make diligent inquiries with regard to the land and, having found

the facts in conformity with the statements of the parties, shall attach it a form of approval. From that moment it shall have the same value as a private document recognised or legally accounted recognised by the Civil Code and shall date from the moment of the registration of the fact.

By this kind of procedure, which may be called indirect, a certain degree of uniformity may be reached among these manifold usages, a comparative degree of uniformity, but one that will in any case facilitate the institution of general rules in the future." As regards landed property, therefore, when the natives enter into contracts with each other, they are only subject to their own laws; when they deal with Europeans, or when the estate, possessed up to then by virtue of native custom, must for the first time be the subject of a written contract in conformity with French law, the provisions of the decree of July 24th., 1906 shall apply.

No opening of credit is contemplated or ordered in the General Estimates for the organization of landed estate; only the local estimates make provision as far as each of them is concerned, for the salary of the registrar of landed estate: one of these is attached to each court of first instance in West Africa and one at Kayes to the court of the superior magistrate.

Up to the present, the natives have only registered in exceptional cases except, however in the cities inhabited by Europeans.

Native landed property and the conditions for its transmission are altogether regulated by local custom and the native courts settle disputes in connection with it.

§ 5. SUPPRESSION OF SLAVERY AND THE SLAVE TRADE

The slave trade has been combatted and gradually suppressed as French influence has penetrated into the interior; man hunting and the sale of slaves is limited to the confines of the territory.

In 1889, slaves were sold near the present limit of the Kayes-Niger Railway: to-day the trade is considerably reduced, but in order to suppress it altogether much still remains to be done in the remoter districts.

On October 27th., 1908, the Commanding Officer at Gao found the Upper Senegal-Niger, among the Oullimiden, "a man was sold like an animal."

On August 1st., 1909, the Commanding Officer at Djerma denounced the tricks of some who came, as they said, to look for their relations who were slaves, but really to trade in slaves, and he called on his subordinate to repress this traffic. But, unfortunately, the matter is not easy, because the men accused of such trade cannot be brought before the native courts as they must give judgment in accordance with local customs and among the natives the trade has never been considered a crime. The trials, therefore, would have to take place before European judges, who would recognize the crime. To obviate difficulties, a draft decree on the judicial organization is under consideration.

The abolition of slavery has always been one of the principal objects of the General Government. If the principle is now undisputed, it seems, historically speaking, that two theories have in turn prevailed in the higher sphere of French West African administration.

The first was inspired by absolute respect for native customs. The decree of December 12th., 1905 forbade all the various operations of the slave but did not touch the immemorial institution of domestic slavery. The children or descendants of slaves born in the house and remaining in the service of the family are called "house slaves": it was only necessary to permit them to present themselves before the Administrator to obtain permission to go or stay as they should decide.

However, for the Administration, the word "slave" was abolished: usually the law did not recognise what was tolerated in fact; throughout the whole territory henceforth there were only servants. There was no distinction made between free men and those not free. Any person leaving his own master might retire to one of the so-called "free villages", founded by the French Government and there received land to cultivate, a house and assistance in kind. This conciliatory theory found its *raison d'être* in the political necessities of the moment; it was devised to avoid unnecessarily exciting the hostility of the very influential strata of the nobles and marabouts.

Notwithstanding, even at that date, in certain districts, especially in those where the action of the Government could best make itself felt, the very principle of slavery was combated. In 1901, Governor Ponty pointed out, in his instructions to the officers in command of districts the necessity of abolishing for ever "this pious, unproductive and immoral institution." In fact, in the territory of Upper Senegal-Niger, slaves were found in great numbers. The wars of the Muslim Conquerors had brought large masses of slaves to certain districts, especially among the Soninkés or Sarakolés of the Middle-Niger.

After 1905 they began to return to the land of their origin. Their departure gradually assumed the proportions of a real exodus. When the Government had to intervene to prevent conflicts between masters and slaves, but attempts at rebellion occurred only in exceptional cases; frequently the slaves abandoned their masters' house, taking with them their women and children, without his daring to prevent them.

Encouraged by the acquiescence of the local Governor, the movement widely spread throughout the Sudan and the neighbouring colonies. On the Upper Guinea Coast the progress of the Governor was immediately slowed by the exodus of the slaves.

Among the Touaregs, the Bellah slaves went to build agricultural villages in the proximity of the French stations. In Macina, the question of the ownership of the land arose immediately: it belonged to the Peuhls, but, by way of compromise, accepted a rent after free discussion. In Macina, slaves returned to their land without much difficulty.

The appointment of Ponty as Governor of French West Africa caused a new theory to be adopted throughout the country, as he had undertaken

to make it triumph in the Sudan. The general tranquillity of men's minds, the pacification of the country and the increase of the public wealth due to considerable development of railway communication, allowed of the adoption of a special policy tending to draw the Europeans and the mass of the natives together. Slavery abolished by law was no longer even tolerated in fact, and every individual was recognised free in practice as well as in theory.

The application of this principle has given the best results: the slave, contrary to what has been affirmed, is not at all embarrassed by his liberty: he returns to the land of his origin or goes as a free labourer to offer his services in the city or on the railway, where there is always a demand for labour, and may receive a good wage for his work. The masters resign themselves to do their own work or to pay their old slaves as labourers.

The emancipation of the slaves produced no disturbance except among certain Mussulman groups, strictly closed to the influence of civilisation, consisting of few members, with little influence, though very fanatical. These groups, separated from each other, form so many little sects of African Islam. In Fouta-Djallon this opposition seemed for a moment about to assume a violent form. The aristocracy of the Peuhls and some Marabouts held about two million Djalohekés in slavery, and the emancipation of these did not take place without resistance on the part of their masters, though this resistance is now completely overcome.

§ 6. NATIVE LABOUR.

French West Africa is still a country of agriculture and livestock improvement, so labour questions only exceptionally assume importance there. Industrial plants, like the ground nut, maize and cotton are cultivated by the family groups, which for the negroes form the only basis of social institutions. The individual works five days for the head of the family who pays the land tax, receives guests and feeds the sick and aged; his remaining time he dedicates to his own farm. This special conception of labour completely gets rid of all disputes between employer and employed.

When the farm is very large and the head of the family has need of additional labourers, he recruits them by means of the offer of wages in kind or in money, according to contract agreed to in advance and often even registered, in accordance with the provisions of the Decree of May 2nd., 1906, by the district commanding officer. It must be observed that to-day free labour has everywhere taken the place of slave labour, the wages varying at different dates, according to the law of supply and demand, between 50 centimes and 1.25 frs per day.

On the other hand, except for the servants of the Europeans, it would be difficult to find a class of persons living solely on the wages of their labour. The labourers are very often farmers who, for some reason or other, have temporarily left the land they cultivate in their own village and will return here some day to establish themselves on it. The negro only hires out his labour occasionally and for the shortest period possible; this gives a precarious character to labour, that often causes Europeans who desire to start farming serious difficulties. The constant increase of population and of public wealth will no doubt contribute gradually to the development of social education among the natives and the modification of this state of things.

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ITALY.

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Ministero di Agricoltura, Industria e Commercio. — Direzione generale dell'agricoltura
(*Annals of Agriculture* no. 269: *Proceedings of the Board of Agriculture. Session 1910-19*
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The Board of Agriculture had held no meetings for five years, when in February, 1911, the Hon. Signor Rainieri, at that time Minister of Agriculture, assembled it in order to submit to it for its examination and opinion, certain important questions of economic and technical character, well as the resolutions passed by more than a thousand agricultural associations, relating to the most various matters. The General Management of Agriculture undertook to publish the proceedings of this meeting, which have just appeared, putting us in a position to place before the readers of our Bulletin to-day the principal results of the labours of the Board.

Founded by Royal Decree of September 24th., 1868, its constitution has been several times amended by later decrees. It holds its meetings at the offices of the Ministerial Department. In conformity with the Royal Decree of November 18th., 1900, now regulating its organisation, it is consulted when questions present themselves on which its opinion is required by the laws and legislative provisions in force, and when certain difficulties in connection with agriculture have to be settled which do not come within the competence of the special councils in permanent session at the above Department. Among its members are: sixteen councillors appointed by the King from among the persons most experienced in economic and scientific matters connected with agriculture; and twelve councillors, as delegates of agricultural *comizi* and consortiums, and associations and academies interested in matters of rural economy. Other persons

members by right of office, namely, the Minister and Under-Secretary of State, General Manager of Agriculture, the Head Manager of the Division of General Agricultural Business in connection with Crops and Plant Diseases, President of the Forestry Board, the President of the Viticultural and Wine-making Commission, the President of the Council for Live-stock Improvement and Epidemic Cattle Diseases, and, finally, the Vice-President of the Council for Agricultural Education.

In our examination of the work of this Board, which generally meets twice a year, we think it well to devote the first chapter to an indication of matters discussed and the decisions taken in consequence. In a second chapter we shall give the resolutions submitted by the agricultural associations of the kingdom on this occasion, in accordance with the invitation of the minister.

CHAPTER I.

MATTERS DISCUSSED AND DECISIONS ARRIVED AT BY THE BOARD.

§ I. AGRICULTURAL MUTUALITY IN RELATION TO LIVESTOCK AND HAIL INSURANCE.

As the readers of the Bulletin of Economic and Social Intelligence have had the opportunity of remarking, specialists, agricultural congresses, various institutions in Italy have frequently occupied themselves in recent years with livestock insurance. We shall mention first of all official publications on this subject, made above all on the occasion of prize competitions opened for the societies by the Department, the well known publications of the National Committee for Agricultural Mutuality, in addition, the Magaldi Report to the Congress of Agricultural Associations at Brussels, September, 1910, as well as the Casalini Reports at the Congresses of Porto-Maurizio, Reggio Emilia, Milan, etc. The question of the encouragements to be given to mutual livestock insurance societies is examined in its essentials in these documents. The opinion prevailing on the matter is that the financial assistance of the State must be accorded to them at the moment of their organization and in exceptional cases. In his report to the Brussels Congress, Signor Magaldi, at that time General Manager of Thrift at the Ministerial Department, asked particularly of the State might encourage the Mutual Societies "either by means of a paganda or of financial assistance in their first working year, and, if it be, under other circumstances."

We find the same conformity of views in regard to the discipline and organization of these societies. In 1907, when the Livestock Improvement Committee interested itself in the matter, a resolution was passed to the effect that the action of the public administration should be directed to purging and promoting the constitution of the mutual societies, "the work of which should be effectively completed and their existence guaranteed

by suitable financial assistance, and their federation encouraged so that they may obtain their object as well as possible." Comm. Magaldi, and others with him, recommend the local associations not only to reinsure, but, also to federate, as a condition for obtaining the assistance of Government. Further, there is a general desire to-day in Italy, for the institution of a system of compulsory inspection of mutual and co-operative societies, such works perfectly in other countries. The unions of the societies would make the inspections, as is the case in Germany.

Now that we are to speak of the Board of Agriculture, it must first of all be remembered that already in 1906, it had to discuss an important report by Senator Paolano Manassei on the direct or indirect action of the State in matters of agricultural insurance. In some of its conclusions the report spoke directly of mutual livestock societies, in relation to which it formulated the following proposals, which were in principle approved: "It is necessary to urge and recommend the agricultural *comices* or municipal councils to promote local mutual co-operative profit sharing societies with fixed contributions. The propaganda would be facilitated by the forwarding of model rules, and the assigning of a prize to each of them for their constitution, when they belong to a mutual reinsurance federation. There must, besides, be entered on the Estimates for Agriculture amounts for subventions to be granted to the Agricultural Mutual Insurance Societies."

But the matter was once more placed on the agenda of the last meetings of the Board in its 1911 session. This time it was the Hon. Dr. Edoardo Ottavi who was appointed to report. After having stated the conditions under which mutuality is now found in Italy and recalling the work carried on abroad in this connection, he proposed the following resolution, which was approved:

(1) that an amount for subventions to agricultural mutual insurance societies be entered on the Estimates of Expenditure for Agriculture;

(2) that the above mutual societies be allowed a reduction of the formalities for their legal recognition, and exemption from the duties to be paid, according to the request of the Congress of Reggio Emilia;

(3) that the exemptions and State assistance be only granted to mutual societies that have made provision for the reinsurance of their risks, have entered into a federation, and have submitted themselves to inspection by the federation to which they belong.

Whilst, in the case of livestock insurance, the agreement of opinion we have already noted allows of the formation of tangible proposals, it is not the same in the case of mutual hail insurance. Here, opinions were somewhat divided. A general complaint was made of the absence of trustworthy data, in regard to meteorology and hail statistics. So the report refrained from proposing to the Board any solution whatever of the problem of mutual hail insurance. The Hon. Signor Manassei had already realised this difficulty in the 1906 sessions. He then stated it was not yet

(1) See, in this connection, *Bulletin of Economic and Social Intelligence*, October-November, 1920, p. 118.

to form mutual societies with an extended sphere of action, and to remissions or contributions which would not be beyond what the members pay or inferior to their requirements, and that finally it was equally difficult to say in what degree the State should contribute in proportion to the requirements due in each region to special meteorological conditions, also to the financial resources of the State itself."

After this, the question was examined by a group of technical experts constituting the Council of Thrift, who declared themselves favourable to State intervention in a yet more decided manner. As regards the statistics to the frequency of hailstorms, this council, in its meeting of January, 1909, expressed the desire that the Agricultural Statistical Bureau of the Ministerial Department should undertake to make the necessary inquiries, in the same way as has been done in the greater States that have dealt with the question. The Bureau could come to an understanding of the matter with the corresponding bureaux of the States in question, and with the International Institute of Agriculture.

§ 2. THE COMPENSATION TO BE GRANTED BY THE LANDLORD TO THE TENANT FOR IMPROVEMENTS.

Among the matters of greatest interest for agriculture in a large number of European provinces, especially in the North, there is one which has been the subject of long discussion and much research on the part of economists, of technical experience, and agricultural associations. It is that now discussed among landlords and tenants, in relation to the compensations demanded by the latter for improvements carried out on farms leased by them. We know, in fact, that often the tenants, in order to increase the yield of the farm leased, are prompted to make improvements of permanent or agricultural character; they make canals for drainage and irrigation, they level the land, make sewers and roads, erect buildings, treat the land with artificial manure and make new plantations. All these undertakings require labour and capital and if they are well carried out, they may contribute to increase the yield of the land and consequently the revenue to be derived from it and its value. Usually, besides the interest for society in the land being made capable of producing the most and the best possible produce, the tenant and landlord have both their interest in it. It is therefore natural that the tenants should claim a compensation from the landlords for these improvements, but there are various reasons which prevent this from coming into general use. Specialists in rural economy have examined this delicate question. Societies, and among them the Hardy Farmers' Society and the Italian Farmers' Society, have merited very well in this connection and have often encouraged the study of it. The element above all lies precisely in the establishment of the principle of compensation and the manner in which it may be applied. It will be well to recall some of the past history of the question.

In 1882, a large number of agricultural *comuni* expressed themselves in favour of the principle. In 1885, a mixed commission of landlords and tenants was called by the Agricultural Society of Lombardy to study reforms advisable in the contracts for lease of irrigated Lombard holdings. It passed a resolution to the following effect: the tenant cannot execute any improvement altering the ordinary condition of the property without written permission from the landlord, but in case of improvements of incontestable utility when the landlord refuses to give his consent the tenant has the right to appeal to a court of arbitration which must decide whether it is desirable to carry out the proposed work of improvement and what should be the corresponding compensation. Two years later, another commission recognised, in principle that the proposals of the tenants tended to the greater progress of agriculture, even to the advantage of the owners, and yet, it did not admit the right of the tenant to change the conditions of the holding leased, against the landlord's wish. In 1901, the Agricultural Society of Lombardy took up the question again at a Congress held at Lodi from September 11th. to 14th. At this Congress an authorized Commission was formed of engineers, landlords and tenants and lawyers, with also a professor of rural economy and a professor of agricultural chemistry. This commission had been instructed by the society to study new reforms to be made in the contracts for leasing land property. It completed its labours in 1905. Professor Arrigo Serpieri prepared the report. The principal conclusion arrived at was that the commission approved the principle by which the landlord is obliged to recognize and give compensation, under certain conditions, for improvements carried out by the tenant. Finally, in 1906, the Italian Farmers' Society in agreement with the Agricultural Society of Lombardy, held a National Congress at Milan, at which one of the subjects discussed was precisely that of improvements in contracts of lease. Prof. Serpieri was assigned to report. In the resolution voted on that occasion, the admissibility was agreed to of inserting in the contracts clauses assuring tenants of fair compensation for improvements carried out after being recognized as desirable by an arbitration court. The desire was also expressed that adoption of this measure might be facilitated by an appropriate organization of credit for improvements.

The matter was brought before the Board of Agriculture during recent sessions. Two opposite tendencies were apparent in the discussions. Some, led by the reporter, Prof. Alpe, declared themselves in favour of the State interesting itself in the matter. They thought it would be possible and efficacious to establish legislative provisions, making compensation on the part of the landlord to the tenant for improvements made by the latter compulsory. Others, among whom was Prof. Codacci-Pisanelli, were of opinion that the intervention of the law in matters of this kind was inadvisable, and would in some measure impede the liberty of contract. To attain the end desired by both parties, namely, the improvement of the farms, it seemed, on the contrary, more advisable that the State should act indirectly, tending to bring into customary usage the principle

f compensation, granting special favours with regard to taxation and encouragements to those contracts in which this compensation is ad. This latter view prevailed. It was accepted and embodied in a resolution which we reproduce in full in consideration of the importance of the subject :

The Board of Agriculture considers that the contracts of lease of land generally include provisions, which, first of all do not encourage the tenant to improve the holding in the measure desirable and even frequently induce him to act, in the latter years of his lease, in such a way that the fertility of the soil is reduced, to the detriment of the tenant succeeding him in the holding itself ;

and considers that in the case of most farms given on lease, a large increase can only be made from farming by carrying out permanent agricultural improvements which require a long period of time for their complete efficacy and in order to render possible the return of the capital invested, as well as the realisation of a net profit ;

and therefore, considers, that it is only by means of long leases that it would be possible for the lessee who shall carry out such improvements to obtain such results ; recognises on the other hand that in the present conditions of the market for agricultural produce and labour, and in those cases may be anticipated in the future, except in the case of leases for improvements properly so called, long term leases, in certain cases, are not advantageous for either of the two contracting parties ;

and considers that it is for the holding to contribute as far as possible to the increase of the agricultural production ;

and considers, on principle, that, to attain this end, the law must intervene, so that conditions may be more easily introduced into the contracts of leases, by means of which it may be recognised that the lessee has a right to compensation for permanent agricultural improvements he has carried out, which have been recognised as advantageous by experts ;

and it expresses its desire that ;

(a) there may be organised an improvement credit service, for the whole Kingdom on a system similar to that working in accordance with the laws in certain countries ;

(b) the Department of Agriculture will :

(i) instruct the experimental agricultural institutes to make researches in order to establish by a rigorously scientific method, for the various parts of the country, the fundamental data necessary for a table of degrees of fertility of the soil ;

(ii) promote, by means of its dependent institutes and the agricultural stations, researches to discover, in the various regions of Italy the customs in use with regard to the compensation paid to the lessee, the advisability of eventual legislative intervention, in order to encourage, by means of facilities in regard to taxation, the introduction of provisions into the laws establishing such compensation, the degree and form of the same, whatever may serve to enlighten the legislators in the matter.

§ 3. VARIOUS QUESTIONS.

Besides the matters we have indicated, others were discussed, for the most part of technical character, which we shall limit ourselves to mentioning. And first of all, Prof. Antonio Bizzozero was entrusted by the Minister to make a report on the most effectual means for obtaining a more extensive cultivation of plants for cattle food, with a view to extending livestock improvement and the production of cereals. After having remarked that all that has been done up to the present in Italy is insufficient in view of present needs, he affirmed that, on account of the increased consumption, the conditions of the meat and grain market oblige the national agriculturists to give their attention to a more intensive production of cattle foods, above all of lucern. The fundamental ideas put forward by Prof. Bizzozero and accepted by the Board were set forth in a resolution in which the following desiderata were expressed:

(1) that the itinerant agricultural lecturers should give the first place in their propaganda to the extension of artificial fields of leguminous plants;

(2) that the improvement of Alpine pastures should be encouraged by means of large prizes in money, to be granted by preference to livestock improvement societies.

(3) that the State should devote at least a million of francs a year for a period of twenty years, to the facilitation of credit for the building of métayers' houses and cattle stalls, and thus also render more easy subdivision of the latifondi and large estates into holdings of an average area of twenty hectares, to be given out on lease or as métairies to peasants, abutting on communal and provincial roads, and supplied with drinking water;

(4) that the State build directly, or give subsidies for building reservoirs to serve for purposes of irrigation in various parts of Italy, the object of giving practical examples to incite the farmers to avail themselves of works of this nature, in order to extend their production of cereals, fruits and vegetables.

Prof. Tito Poggi then spoke of the advantage there would be in extending the courses of professional education for the peasants. He expressed the desire, approved by the Board, that the Department should encourage the foundation of such courses, to be given by the agricultural institutes and above all by the itinerant lecturers, and that subsidies be granted to the said institutions for the purpose.

Prof. Menozzi presented a report on the applications of cold in production, preservation and trade in articles of food, and, in concluding, presented a resolution which the Board accepted, and in which he expressed the desire that the Department encourage by means of shows and prizes the installation of refrigerating plant for the preservation of agricultural products, and that action should be brought to bear on the State railways and navigation companies to provide a larger number of trains and vessels provided with refrigerating chambers.

Finally, on the report of Prof. Danesi, a resolution was passed in which single law was asked for to replace the multiplicity in force in regard the repression of adulteration of food substances and agricultural products.

CHAPTER II.

RESOLUTIONS OF THE AGRICULTURAL ASSOCIATIONS.

As we have already said the resolutions passed by more than a thousand agricultural associations of the Kingdom expressly invited by the Minister to formulate them were also communicated to the Board. These resolutions relate to the representation of agriculture, agricultural co-operation and credit, rural legislation, reclamation of land, irrigation, forestry, state of the roads, railway rates etc.

As it would be impossible for us to reproduce them all, we shall limit ourselves to indicating the most important.

REPRESENTATION OF AGRICULTURE, RURAL CO-OPERATION AND THRIFT.

The *representation of agriculture* has several times formed the subject of discussion and proposals on the part of organisations and congresses, and the Board of Agriculture has often had to occupy itself with the matter. As we know, what is lacking in Italy is a well organized legal representation of the rural classes, as their competent interpreter to the central authorities, for the expression of their requirements and interests. There are, indeed, agricultural *comizi* instituted by Royal Decree of December 1866, but they are not elective, and for various reasons they have not always been able to exert a really useful action. According to the above decree, they are charged to inform themselves of the agricultural conditions of the country, to extend good methods of cultivation, to inform the Government of the measures best adopted for the progress of rural economy and to occupy themselves with shows and experiments, as well as with the amendments to be introduced into the laws and provisions in force. These institutions derive their means of existence from the annual subscriptions of their members, and subventions from Government and the local administrations, but they generally have no very considerable amounts at their disposal.

Among the most noteworthy proposals for a good organization of agricultural representation in Italy, we must mention that presented to the Board of Agriculture a few years ago, by Enea Cavaleri. The principal points of this proposal were :

(1) the creation of provincial chambers of agriculture ; with sections for the *circondari* or districts ;

(2) these chambers were to be composed of elected members;
 (3) the electors should be only persons with real personal agricultural interests;

(4) the financial resources necessary were to be derived from additional provincial taxes.

In the recent meetings of the Board, this proposal was recalled. Prof. Benzi, who presented the report on the subject. The former proposal had seemed too radical and difficult of present realisation. So in conformity with the desires of a large number of associations, Prof. Benzi proposed the following resolution, which was approved by the meeting:

that the Minister interest himself before all in the organisation of *circondario* representation on the same basis as that on which the existing *comizi* rest, giving the form of law to the Decree of December 23, 1866 and completing the representation by means of technical and economic institutions, assuring them of sufficient means and greater authority

that, in the second place, he provide for the formation of provincial or regional committees to act as interpreters of all the requirements and all the aspirations of the farmers.

Turning to *rural co-operation*, we find that the resolutions expressed regard to it by the agricultural institutions tend towards the foundation of lecturerships on co-operation for co-operative propaganda of the same character as those already existing for thrift. They have it further for their object to effect that the progress of the societies be not hindered by restrictive interpretations the treasury officers may put upon the favourable provisions. A large number of institutions finally ask that institutes be founded for the compulsory inspection of the co-operative societies, including not only their book-keeping, but also the real co-operative character of their management. On the proposal of the presenter of the report, and to satisfy the desires expressed, the Board approved a resolution, in which, while applauding the work of the Government, which has just founded itinerant thrift lecturerships (1), desire was expressed, (1) that the law in force be amended to simplify the formalities required for the legal constitution of societies, and an explanation introduced into the law permitting restrictive interpretations on the part of the Treasury; (2) that provision be made for compulsory inspection of the rural co-operative societies by means of a special institute of inspection, founded, if possible, by the Federation of Co-operative Societies.

As to *thrift*, after having examined the resolutions of the associations the Board decided to recommend to Government the promotion by means of a more intense propaganda, of the spirit of thrift in the agricultural classes, offering those who register themselves with the National Society for Labourers' Disablement and Old Age, greater facilities with regard to the payment of their premiums.

(1) See *Bulletin of Economic and Social Intelligence*, January, 1912, p. 150.

§ 2. CONDITION OF ROADS, TELEPHONES, RAILWAY
AND TRANSPORT RATES.

Among the resolutions of the associations, those connected with the development and maintenance of roads in general and, in particular, roads between farms, are quite specially important. In fact, these roads, the utility of which is, however, evident, are almost always now in a real state of abandonment, on account of the inadequacy of the legal provisions for their establishment and maintenance. Some of these associations ask for new roads; others demand that those who make use of these roads be obliged to constitute themselves in consortiums for their construction and maintenance; some desire to charge the communes with the expense; others, at last, want it divided between the communes and the persons making use of the roads. All are agreed as to the necessity for a special law on the subject.

The demands of the associations are no less urgent with regard to *Telephonic communications*. In view of the difficulties of local and technical character, the rural communes can only obtain such communication to-day with great difficulty. However, it is one of the best ways for improving conditions of the farmers, above all, in regions where there is no means of rapid communication. To meet these requirements, Signor Franco, presenter of the Report, proposed a resolution for the approval of the Board, which he expressed a desire for the extension of telephonic lines in the rural communes and a bill laying down exact regulations with regard to construction and maintenance of roads between farms, with the assistance of the central and local institutions.

The resolutions with regard to *railway and transport rates* tend essentially to the reduction of rates for the carriage of fertilisers and of agricultural produce. They further express desire for the improvement of some of the present means employed for the carriage of small parcels, and for the general improvement of the services. In particular, the Italian Farmers' Society asks that produce of the first quality and early produce obtained by well organised societies, above all, those of Southern Italy, may be sent rapidly to the markets in Central and Northern Italy and abroad. For this purpose, it is proposed that fast trains be run, provided with refrigerating cars. The Society also recommends that agricultural produce of great value be carried by slow trains in special trucks.

The proposals of the presenter of the report, inspired by the above principles, were accepted by the Board, which approved a resolution to the effect:

(1) that the railway rates for carriage of farm requisites be reduced, in consideration of their great weight in comparison with their low price; that, by means of differential tariffs, of the establishment of almost the same charges for transport from the ports or from the place of production to the various agricultural centres; with special provisions for the quite

special encouragement of the work of the co-operative institutions, that the profit from the reduced cost of transport may be to the advantage of the farmer ;

(2) that also the railway rates for carriage of the produce of the farm be reduced, so as specially to encourage the direct relation between producer and consumers, above all through the medium of distributive co-operative societies ;

(3) that special slow trains be arranged to carry, to the markets at low rates, produce largely in demand and of small value, so as, favourably to effect the price of food ;

(4) that the obligation of transporting agricultural consignments be extended to the secondary railways of the State, while the maximum rate is raised and the formalities required for despatch and delivery are simplified ;

(5) finally, that special refrigerating plant be obtained, for the carriage of the early produce of Southern Italy to the Italian and foreign markets, with increased rates for the carriage of such produce, and encouragement, by the institution of high premiums, of the constitution of societies for production of early produce in the South.

§ 3. AGRICULTURAL AND FISCAL LEGISLATION.

Some of the resolutions with regard to agricultural legislation are general in character : others relate to special points of law. Among the general desires, we must notice that for the revision and rearrangement of all agricultural laws in a single text, to which the Agricultural Comizio of Imbriani desires that the name of Rural Code may be given. On the other hand, the Italian Farmers' Society asks for the constitution of special administrative bodies to develop the action of the State in agriculture. It also asks that in each province agricultural councils and committees be founded, on the analogy of the school, sanitary and forestry councils and committees, and that, in this branch, the prefects be assisted by a technical officer.

There is next a series of resolutions relating to agricultural contracts. In particular, the Pisa Agricultural Comizio recommends the extension of the Tuscan type of *métairie* contract to other regions of Italy and especially to Emilia and Romagna. A similar resolution was formulated by the Cuneo Agricultural Comizio.

The Hon. Prof. Codacci-Pisanelli, who presented a report, expressed in this connection, the opinion, endorsed by the Board, that desires of this kind be taken into consideration by the Minister in preparing the law on agricultural contracts. The same may be said with regard to the resolutions of the Melegnano Labour Office, calling for a law on agricultural contracts, to include the recognition of the right of farmers and *métayers* to compensation for improvements effected by them.

A large number of the resolutions relate to taxation. Some refer to state finances and others to local finance. Among the first we must mention that of the Ceccano Agricultural Consortium, which asks for a general law for relief from taxation in cases of disasters due to weather or earthquake. The Board agreed that this resolution proposed by the enter of the report should be forwarded with special recommendation to the Financial Department.

The request made by the Agricultural Consortium of Piacenza also deserves to be noted; it refers to the revision of rules concerning the application of the income tax to co-operative societies. The Agricultural Consortium of Ancona asks for exemption from this tax for the métayers. The Agricultural Comizio of Pavia makes the same request in behalf of tenant farmers. The Italian Winegrowers' Society of Casal Monferrato, and the Agricultural Co-operative Consortium of Comiso (Modica) ask for the abolition of town dues on wine, as a means to prevent adulteration of wine and the manufacture of artificial wines.

The Agricultural Consortium of Camerino recommends a diminution of the transfer dues which, it is believed are an obstacle to a uniform system of rural landed property. The Agricultural Association of Fontanella asks for a new tax, the yield from which should serve for the foundation of a National Institute for Hail Insurance.

But the most numerous and most important resolutions relate to matters of local finance; the unsatisfactory condition of the local finances have all felt by the landholders and farmers, and this on account of the heavy taxes on land and on buildings. In general, it is desired that the local finances shall not have for their sole base, as to day, the extra tax, and that in this matter, account be taken of the fact that the services entrusted to the provincial administrators profit all classes of citizens and that, consequently, it is not just that provision should be made for them only by means of taxes levied on the landholders.

Finally, several associations, and, at their head, the Italian Farmers' Society, have passed resolutions for a reform of the tax on livestock, which, as it is to day, can only be an obstacle to the increase of the production of livestock.

The Board declared itself favourable to these resolutions and above all those relating to local finance. It forwarded them to the Minister of Finance, as coming specially within his province.

§ 4. MALARIA AND METAYERS' HOUSES.

The resolutions of the associations with regard to malaria tend to the intensification of the fight against the disease. They were recommended to the Government by the Board. But we know that the decrease of malaria has already been very considerable.

With regard to rural dwellings, it must be observed, generally, that is above all these which Italian agriculture lacks and this is a great defect. Some associations ask the Department to undertake buildings of nature directly. In this connection, on the proposal of Prof. Poggi, presented a report, the Board passed a resolution, urgently requesting the Government in the new studies it makes on credit, to take account of great need felt by many regions, and above all by those for which there are no special laws, of obtaining capital cheap, so as to be able to build metayers' houses and subdivide the latifondi into small holdings.

§ 5. AGRICULTURAL MACHINERY, IRRIGATION, LAND RECLAMATION AND CROPS.

With regard to the first of the above items, the Board, taking into consideration the desire of certain associations in connection with the resolution passed by the Congress of Italian Farmers at Como and Lonigo in 1901, asked the Government to found one or more experimental stations for agricultural machinery.

There was another resolution passed in this connection for the extended use of agricultural motor cars.

Turning now to irrigation, the Government is desired to contribute a larger degree to promote it by encouraging the formation of reservoirs among the mountains. After recalling all that has been done up to the present in the matter, the Board concurred in the above as well as in another resolution, requesting the Government, 1st., to include in the new law on drainage, provisions of a nature to allow the consortiums for canalisation and drainage to act themselves, promoting and carrying out drainage and home colonisation, granting these consortiums the right to receive in the procedure in use with regard to taxes, the sinking fund payments on loans to the parties concerned; 2nd., to authorise the deposit and assignment bank, the savings banks, and other important credit institutions to provide the consortiums with the capital necessary and to issue special bonds for the purpose.

With regard to the question of crops, the associations desire the introduction of improvements. They desire, especially, to favour the cultivation of plants for the formation of artificial meadows, as well as that of tobacco and of beetroot.

A group of resolutions refer to the cultivation of fruit trees, with respect to which request is made: 1st. for the greatest possible distribution of foreign fruit trees, 2nd. for the encouragement of the fruit trade abroad by the appointment for the purpose of Government agents on

pal foreign markets (1). The Board concurred fully and entirely in desires.

. LIVESTOCK IMPROVEMENT AND CHEESE MANUFACTURE, FORESTRY.

A large number of resolutions relate to the above three important matters but we shall not delay over them, for provision has already recently been made with regard to them in laws or bills (2).

) The Department of Agriculture has two classes of officers for this purpose : commissioners and experts in wine making. The former interest themselves in every kind of produce, the latter in wine and oil. There are a large number of these agents and now the recruitment of others is being advocated.

) Among the laws in question we must mention that on the State Forest Lands and Protection and Encouragement of Forestry, of June 2nd. 1910 and the other of very recent date, July 6th, 1912, containing provisions for the protection and increase of Livestock. We shall shortly deal with it specially. Among the bills, let us mention that of November 30th., on Mountain Pasturage and Agriculture. cf. *Bulletin of Economic and Social Intelligence*; July, 1911 p. 233; August, 1911, p. 249.

